

Ex A

(2 of 14)

About two weeks ago, Kathy and I were on a conference call with Steve White. At that time he indicated that he wanted to put together a *"White Paper"* proposal and *capital request* for improving customer service. He wanted this ready for review by this Thursday, July 21st. *(There is a meeting in New York on this date - Barbara Gardner is attending.)* The focus was primarily on Teleservicing but he wanted each of the three areas above addressed. Kathy and I were on a subsequent conference call with a Christine Markussen of Corporate Planning and Quality and Suzanne Flynn to discuss *Business Processes*. We attempted to address this from the "Corporate" perspective. Christine knows nothing about Teleservicing or call center management. Also enclosed is a copy of a memo I sent to Suzanne *(and later Christine)* outlining some of the *"Business Process"* issues to consider when trying to deal across the lines of business.

As an aside, Suzanne Flynn had her eyes opened during a recent visit to Tulsa. A meeting was held here with our people in addition to Kathy and some of her people in trying to design the system for the *"Corporate CSR."* Suzanne found out that it was all much more complicated than she ever began to imagine. It's also highly questionable as to whether we should be developing a "separate" system when Personal Insurance is already way out in front with *Single Image*. Part of *Single Image* should probably be developed as a "Corporate" System and then made available across the lines of business.

Vince, the bottom line of all of this is still the same. There is no one at the Corporate level that has sole responsibility or is accountable for coordinating this whole concept of a Corporate 800 number and/or the idea that our call centers could function as *"multi-line"* customer service operations. While Steve White comes across as being very well intentioned, his knowledge of administrative operations and the call center environment is very limited. In addition, the people to whom he is looking to be the primary drivers don't have the background in our operations. Some of the others who do think they know something are basing their knowledge on what was in the original Bruce Goodman Task Force report. Unfortunately, that was also a long way from "real world."

In the meantime, you have Kathy and I sitting here being pulled in 15 different directions because there is no coordination and/or understanding at the top. Frank is frequently micro-managing us while Valentino is going 100 miles an hour in one direction and the White Task Force is going in another. Add to that all the politics our local leader is trying to play and you an organization in chaos. No one is in charge!

Vince, I suspect this is pretty small potatoes compared to the league you're in and the issues I know you are dealing with. I can only hope that things will get better on that end and someone will realize how much progress we need to make on this one. I also hope they're realize the progress that was made during those brief periods when you were in control. Personal Insurance and much of the Company needs to be turned upside down and inside out if we're really going to come out of all of this stronger and better for the experience. However, everybody else is too afraid to take a stand or make a decision. You never were and you are the only person I know that can do it. I can only hope that others will realize that.

CONFIDENTIAL

Hang in there! It is only that hope I have that someday you will be recognized and put in charge that keeps me going. The "fun" I used to have at work is long gone. Otherwise, I have two years and nine and a half months until I go find something to supplement my retirement.

J. L. Rayl, ACS
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

July 18, 1994

MP4011070336

CONFIDENTIAL

**PERSONAL INSURANCE -
OPERATIONS & SERVICES**

- ☐ B. Gardner, V-P
☐ C. Bogler, Special Accounts
☐ D. Lyons, PHS
☐ S. Nance, Human Resources
☒ J. Rayl, Customer Services & Comm.
☐ L. Rizzo, QA & Systems Support
☐ J. Ruete, NBSS
☐ _____

SBP SALES SUPPORT

- ☐ J. Jackson
☐ _____

MEDICAL SERVICES

- ☐ N. A. Pickett, Jr., M.D.
☐ _____

COMPANY PROPERTY & SERVICES

- ☐ T. Stewart
☐ Leasing Operations
☐ _____

**PERSONAL INSURANCE -
MARKETING**

- ☐ W. Adams, Investments
☐ J. Barbero, Mass Marketing
☐ M. Stewart, Training Services
☐ _____

MEDICAL MANAGEMENT CENTER

- ☐ R. Hudson, M.D.
☐ R. Watt, M.D.
☐ _____

- ☐ For your information
☐ Please handle
☐ Please share with your key people
☐ Comments by _____
(Date)

PL-01507
RAYL - METLIFE

+MET-PAYS = 1+800+MET-LIFE

owards

ign"

CONFIDENTIAL

Jim,
With short notice and myriad
priorities on your plate, I thank
you (and I'm sure the entire
Planning Board is grateful) for
this tremendous effort. The
document is succinct, well written
& supports the goals of P.I. Cust Svc
Barbara 9/17



OUTSTANDING SERVICE

We're Building Our Future On It

1+800+MET-LIFE = 1+800+M

1+800+MET-PAYS = 1+800+MET-LIFE = 1+800+MET-PAYS = 1+800+MET-LIFE = 1+800+MET-PAYS = 1+800+MET-LIFE = 1+800+MET-PAYS = 1+800+MET-LIFE

MP4011070337

$$1+800+MET-PAY3 \approx 1+800+MET-LIFE \approx 1+800+MET-PAY3 \approx 1+800+MET-LIFE \approx 1+800+MET-PAY3 \approx 1+800+MET-LIFE \approx 1+800+MET-PAY3 \approx 1+800+MET-LIFE$$

Strategic Plan For Moving Towards "The Idealized Design"

PI Customer Services



We're Building Our Future On It

" 1+800+MET-PAYS " " 1+800+MET-LIFE " " 1+800+MET-PAYS " " 1+800+MET-LIFE " " 1+800+MET-PAYS "

$1+800+{}^{\text{NET}}\text{-LIFE} \quad \Rightarrow \quad 1+800+\text{NET-PAYS} \quad \Rightarrow \quad 1+800+\text{NET-LIFE} \quad \Rightarrow \quad 1+800+\text{NET-LIFE}$

EXECUTIVE SUMMARY

The stated mission of the Customer Services Task Force was *"to create an idealized design of a MetLife approach to providing insurance and financial services through Teleservicing and Telemarketing that exceed customer expectations and minimize costs."* The report contained several key findings and strategies for achieving this mission.

One critical observation in the report was made by the outside consultant who stated *"the PI Teleservicing Center in Warwick as a fine example of call center management techniques in action."* The belief that the two PI operations are at a somewhat higher level of maturity and sophistication with respect to teleservicing was further supported by recent PI Officer and Director visits to a number of Company teleservicing sites. It is further believed that the PI Teleservicing sites are well positioned to assume the lead and the additional responsibilities associated with moving MetLife towards *"The Idealized Design"* with respect to our teleservicing and PI customer service operations.

The PI teleservicing operation has been in existence since 1982. Throughout their evolution, they have made a concerted effort to keep pace with the changing electronic and telephone technologies as well as call center management practices. Both sites have been driving forces in seeking changes to make our electronic systems more customer oriented in a real time environment to meet the increasing expectations of our policyholders.

The maturity, flexibility and capabilities of the PI Teleservicing operations have been repeatedly demonstrated with their handling of a number of special projects and programs including ongoing support for the *Family Reunion Campaign*. Their ability to deal with exceptional situations was again illustrated with their support of the ELNY (*Executive Life*) project. Not only was the Warwick site capable of handling the initial challenge of the ELNY associated calls, but the two PI sites were capable of working together to shift 800+METLIFE calls in real time to maximize the level of service provided to all PI policyholders.

Consequently, Personal Insurance, with its two well defined and well managed Teleservicing Centers, is prepared to implement many of the strategies and recommendations of the Task Force. The following is a brief summary of the essential ingredients to our strategy to move PI Customer Services towards *"The Idealized Design"* for Teleservicing operations within MetLife and for quickly achieving some of the key recommendations made by the Task Force. These include:

- **Immediate Implementation of a Generic 800 MetLife Number (1+800+MET-PAYS)** - There needs to be a single 800 number which would provide all MetLife customers or prospective customers with quick and easy access to the Company, regardless of the line of business involved. This number would be separate from and in addition to the already established 800 numbers used for specific needs or services provided by Group, P&C and Personal Insurance. A single Corporate number is needed which can be used for advertising, special campaigns and programs, or any unforeseen situation where customers need to make contact with MetLife, without regard to the line of business. It is proposed that the PI Teleservicing Centers handle this activity through the use of **1+800+MET-PAYS**. Many of these "generic" calls are already answered in the PI Teleservicing Centers. These generic calls would be completely handled by PI or, where appropriate, would be rerouted to another LOB call center using virtual technologies outlined in the Task Force Report. We see a Corporate number with this capability as being required to meet and exceed the high expectations of today's MetLife customers.

CONFIDENTIAL

- ☛ **Consolidation of Teleservicing Activities** - From an organizational standpoint, we are comprised of a number of different call centers servicing different lines of business – but often serving the same customers. From the perspective of the individual PI customer who may own various MetLife products, we are ONE Company that requires our clients to deal separately with different entities representing the particular product or line of business. By viewing ourselves and our teleservicing operations from the customers' perspective, we have developed a strategy to increase the number of services that would be available through 1+800+MET-LIFE, either through consolidation or the use of *virtual* technologies. The consolidation of teleservicing activities for additional products or other lines of business into PI managed call centers would also facilitate some of the efficiencies and economies that can be achieved. But, the key objective is to *better meet and exceed the expectations of the PI customer* and enhance the perception that we are one financial service provider.
- ☛ **Become A Major Source of Revenue Generation** - Call Centers cannot just be Cost Centers. Working in alliance with the Career Agency Force and the other lines of business, they can become powerful instruments for *revenue generation*. The PI teleservicing sites have already begun to further refine and implement the actions and strategies that will unleash the full marketing potential associated with the extensive customer contact occurring on 800+MET-LIFE calls. The Corporate 800 number and its use with advertising can potentially create new marketing opportunities for PI and other lines of business. They could come from both existing customers or present *non-customers*. PI teleservicing will work with all lines of business to see that the marketing potential of all inbound calls is captured and explored while maintaining our high standards for exceeding customer expectations.
- ☛ **Manage To Service Level** - Another key finding of the Task Force was the urgent need for our call centers to *Manage to Service Level*. In conjunction with this was an outline of the benefits derived through the *Powerful Pooling Principle* and the concept that *"bigger is better."* The PI teleservicing sites are currently implementing the management tools and practices required to *Manage to Service Level*. The expansion of their role to include the Corporate 800 number and the consolidation of other call center activities into the existing PI centers would facilitate their growth and increase flexibility in meeting this difficult challenge.
- ☛ **Explore Interactive TV & Two-Way Video Technology** - The *"Family Reunion"* kiosk at Epcot has demonstrated the impact and power of interactive TV and two-way video. Enabling the customer to see the CSR and vice-versa can add a new dimension to the definition of *personalized* customer service. With this technology, MetLife can put a *"face"* on both the Company and the high level of customer service it embodies. Personal Insurance would like to further expand and capitalize on this technology by setting up similar *"Video Customer Service Stations"* in heavily trafficked areas such as large sales offices and other areas with exposure potential similar to Epcot. Using *"touch screen"* technology similar to Epcot, the video stations could also offer a wide range of information and education about our various products and services.

At the present time, our strategy is primarily focused on the *"individual"* MetLife PI customer. But, it is recognized that in addressing a Corporate 800 number, the PI Teleservicing Centers could be dealing with MetLife customers obtained through all sources and representing all lines of business. Accordingly, in these situations, PI will work with the other Departments or lines of business to ensure that callers to the Corporate number consistently receive the highest level of *personalized* customer service and that the expectations of all MetLife consumers are met or exceeded. The balance of this document provides a more detailed explanation and assessment of these five components to our basic strategy.

CONFIDENTIAL

Implementation of a Corporate 800 Number ↔ 800+MET-PAYS

A major recommendation of the Task Force was the implementation of a single, generic 800 number to support Corporate advertising, marketing initiatives, special programs/promotions, non-specific inquiries, data gathering, etc. This single number would also function as a gateway for customers not knowing how to reach a specific line of business. At the same time, it was also recommended that, where appropriate, we continue to use LOB, product or transaction specific 800 numbers as well.

While it was suggested that this generic number might be 800+MET-LIFE, in today's environment the technology is not in place to make this feasible without considerable difficulty and problems. This phone number is firmly entrenched with the PI policyholder base as the number for customer service. Additionally, it is PI's strategy to expand and promote 800+MET-LIFE as the single number that can be dialed for any PI customer's service need. Introducing "Corporate" phone calls to this number at this point in time could create serious problems in terms of managing both the telephone traffic and the Call Center activity itself. It is also likely to be more costly.

However, PI Customer Service agrees with the Task Force that the immediate implementation of a single Corporate 800 number is critical to the long term strategies and objectives for MetLife. PI also believes it is in the strongest position to handle the implementation and administration of this number. It is therefore proposed that 800+MET-PAYS be immediately implemented and promoted as the Corporate 800 number. This number is currently available in the PI Teleservicing Centers and is consistent with our advertising; "Get Met - It Pays." Its implementation would:

- ▶ Provide an 800 number that can be used for Corporate advertising. MetLife is among the few companies not actively associating an 800 number with its advertising. Such a number could potentially generate inquiries and/or additional business from present non-customers.
- ▶ Facilitate quick and easy contact with MetLife by customers for all lines of business who do not know or have a separate 800 number for their product or service need. Many of these calls could be handled effectively by the PI Customer Service Representatives. Where feasible and appropriate, calls for the other lines of business would be rerouted using the virtual technologies outlined in the Task Force report. At the very least, all callers would be provided with the information and/or proper number for reaching the appropriate area in their line of business.
- ▶ Facilitate handling and tracking these Corporate phone calls. The initial isolation of these calls to a new and separate number would substantially aid control and measurement. If desired, we could specifically track the impact of various advertising programs or measure any other special projects or programs for which this number might be used. The PI Call Centers have the capability to track the numbers and types of phone calls by recording key information on an electronic system (TMOS). The capability to facilitate this level of tracking and analysis could prove invaluable to the Company in its strategic decision making process.
- ▶ The professionalism of the Customer Service Representatives would ensure that the initial contact experience is always positive for anyone attempting to make contact with MetLife by utilizing the Corporate number.

CONFIDENTIAL

800+MET-LIFE ↔ The PI Customer ↔ The Organization

PI customers are primarily obtained through the Career Agency Force. To the customer, the Account Representative represents one entity, — MetLife. In reality, however, the Account Rep actually represents a group of organizational units or subsidiaries which enable him or her to provide the customer with a wide range of financial service products. At the same time, the single Account Rep also creates the perception and expectation on the part of the policyholder that he or she will only have to deal with one Company or one entity. But, in the absence of the Account Representative, obtaining service or information often becomes complicated for the customer as he or she must deal with each organizational component independently. For the most part, these components function as separate entities. The primary subsidiaries or organizational units represented by the Account Reps who bring us the "PI Customer" are:

- Life Insurance - Administered through PI Customer Service Centers
- Home/Auto Insurance - Administered through Metropolitan Property & Casualty
- Annuities - Administered through Pensions
- Mutual Funds - Administered through State Street Research
- Health & Disability - Administered through Employer Financial Services

Thus, while we may represent a single Company to the customer, the PI Customer may actually represent several different customers to us, primarily by line of business. To a degree, this issue was addressed in the *Customer Services Task Force Report*. It was recognized that, from a practical standpoint, some lines of business need to retain their own 800 numbers and servicing identity. With some products, it is easier for the customer to accept that they might be handled separately. The most obvious example is with homeowner's and automobile policies. These products insure and relate to "things" rather than to them as a person or as a financial service product. But, the customer has a much harder time understanding the organizational considerations when it comes to our other financial service products. Obtaining information on their life insurance, annuities and mutual funds requires calling three different 800 numbers. The *Task Force Report* proposed that a customer should be able to reach any line of business through a single number. We would like to move forward in this direction for the PI customer.

The first step in the PI consolidation strategy is to promote and expand 800+MET-LIFE as a single number that can fully serve the PI customer with respect to information or changes on their life insurance or investment program. While 800+MET-LIFE would be used as the single number, it is initially anticipated that there would be extensive use of the virtual technology to route annuity or mutual fund calls to the appropriate call center. This approach would provide the opportunity to determine what operating efficiencies and customer service improvements can be attained through virtual technology as opposed to actual consolidation. It would also enable us to identify the operating and management challenges associated with such an environment.

At the same time, however, it is anticipated that as there is a need for these other areas to grow, some of this growth would take place in the PI Teleservicing sites. This would enable them to begin developing their own expertise in these areas. This is seen as essential to our strategy of being able to meet the PI customer's "total needs." This would also provide the opportunity to extend existing PI strategies to these other product lines. For example; the conservation program could be extended to include mutual fund withdrawals. There would also be more opportunity to recognize and identify the cross-product sales opportunities that are inherent, but unrealized, when servicing only a single product line.

CONFIDENTIAL

In addition, it would appear that some actual consolidation of this activity would offer greater potential to achieve the efficiencies and expense savings that can be realized by centralizing greater call volumes. The ideal solution may be to have the PI teleservicing centers deal with the majority of the routine inquiries and transactions for all these products while the more complex or technical issues are rerouted to the appropriate line of business through the utilization of virtual technology. PI will work with these lines of business to determine the most effective approach to meet and exceed all customers' expectations.

Other Line Of Business Opportunities

There are a number of other small call center operations within MetLife that might be effectively consolidated into the PI Teleservicing Centers. PI will work with the various lines of business to explore whether other consolidation potential exists to achieve additional efficiencies and expense savings. All of these activities would be handled with an appropriate chargeback to the affected line of business.

Become a Major Source of Revenue Generation

There are many reasons for adopting a strategy of providing a superior level of customer service. Two key reasons are:

- ◆ Exceeding customer expectations and achieving a high level of customer satisfaction will translate into increased product/company loyalty
- ◆ Increased satisfaction and loyalty will translate into *repeat sales and revenue*

Gaining the loyalty and repeat sales from delivering high quality customer service is much easier when dealing with a *tangible* product. Our challenge is significantly greater because we're usually dealing with *intangibles and concepts* as opposed to a product a consumer can see, touch and evaluate physically. Consequently, our success in this area will also be dependent upon building a high level of trust with the customer and strengthening that trust where a client relationship already exists with an Account Representative.

The 800 customer service operation has dramatically improved our opportunities to build this trust because of the increased level of personal customer contact. Consistently providing outstanding customer service combined with the professionalism of the CSRs will have a very positive impact on our ability to build and enhance the level of trust.

We know from LIMRA surveys that we often lose sales to other companies after the purchase of our product. In many cases, this occurs because a competitor was able to uncover a financial service need, or just happened to be there at the right time to "ask." With a high level of trust in place, every 800 contact is an opportunity to "be there" and potentially determine if there is a sales opportunity. Recognizing this, our PI Call Centers are becoming much more than just cost centers. Our strategy is to make them an integral part of our marketing efforts and turn them into *revenue generators*. This is being done through extensive training of our PI Customer Service Representatives:

- ◆ To teach them to understand that the identification and pursuit of sales opportunities *is a natural extension of our service* because of the nature of our business
- ◆ To understand the various *needs and reasons* for purchasing our products and the benefits that are derived
- ◆ To understand the major "life events" that can trigger the need for our products and services

CONFIDENTIAL

♦ To recognize and pursue the inherent opportunities for contact by an Account Representative that will be presented to them in the course of answering well in excess of 1.2 million phone calls annually. These will be presented to the CSRs in various ways including:

- Opportunities from just listening to the caller for indications of possible needs or life events
- Opportunities developed based on the information or service request itself
- Opportunities developed using the information presented on the electronic systems
- Opportunities developed using special programs or by just asking a simple question or two

All of this is done within the context of providing or extending our service as opposed to "selling." The initial results of this program have demonstrated the tremendous potential for increased revenues from our existing customer base. *The prospect of associating an 800 number with our Corporate advertising and flowing these calls into our PI Teleservicing Call Centers will provide even greater opportunity to capitalize on this strategy with both existing clients and potential new customers.*

Managing To Service Level

The Task Force Report states: *"The most significant and universal finding was that no location was managing and staffing to service level (i.e., in such a way as to ensure that 80% of incoming calls are answered within 20 seconds, based on forecast and actual half-hourly call volumes)."*

The benchmarking section of the report illustrates that most major customer service call center operations utilize this approach. The report also provides information to illustrate that this is a complex and difficult management challenge which is exacerbated in low volume call centers or by unpredictable fluctuations in the anticipated call volume. Thus, the report also states: *"Where possible, the goal should be centers of about 150 CSRs."* It also cites the benefits derived through the Powerful Pooling Principle and the concept that *"bigger is better."*

Managing to service level is an extremely difficult challenge in an ideal environment. To achieve a given level of service, the required resources must be available. And, as the report illustrates, it requires proportionately higher levels of staffing to meet a service level objective in a small operation than in a larger one. In the PI teleservicing environment, there have been several factors affecting our ability to Manage to Service Level. For the past three years, the PI call centers have been in an expansion environment. The formalized nationwide expansion and ongoing notification of the 800+MET-LIFE number, combined with the special projects such as ELNY, have made predicting call volumes difficult to impossible. In addition, the management challenge in PI has been complicated because of the lead time required to replace CSR losses.

But, over the years, PI teleservicing has gained tremendous insight into all of these factors which ultimately impact service level. This is true of everything from the very selection of CSRs to understanding and projecting CSR losses and future call volumes. Now that the nationwide ongoing notification of 800+MET-LIFE is almost complete, the PI teleservicing sites are well positioned to implement the management tools and practices required to Manage to Service Level. While this is being done in the current environment, the real solution outlined in the Task Force Report is to have a larger and more flexible call center operation.

Expanding the role of the PI Teleservicing Centers to include responsibility for the Corporate 800 number and the consolidation of some of the other LOB call center activities will provide growth and greater flexibility. Some CSRs could be trained to handle multiple LOB responsibilities and could be moved from one activity to another as needed based on the call volume. With this level of flexibility, it would become easier to manage all of these areas to Service Level than it would be for any of them separately.

Explore Interactive TV & Two-Way Video Technology

While the "video phone" has been technologically available for several years, it has not become a practical reality. This is likely to change significantly in the next decade. There has been rapid progression and development of fiber optics and its associated network. It will soon begin reaching individual households. This, combined with the decreasing costs and continued advances of video technology in general, will serve to make video telephones far more practical in the not too distant future. *When this occurs, customer service providers will face new levels of challenge and competition.*

The Family Reunion kiosk at Epcot provides an impressive demonstration of the potential impact of this technology in action. The use of interactive (touch screen) video to control Willard Scott's presentation explaining the Family Reunion Campaign shows the power of video for business communications. Having this further supported by "two-way" video whereby the customer can pick up the telephone and actually see the Customer Service Representative on the screen (and vice-versa) adds a totally new dimension to the concept of customer service. This truly personal interaction between the customer and the CSR can bring remote service to life while greatly enhancing the perception of both the service and the Company. For the CSR, being "on screen" requires that he or she not only have a smile in their voice, but also on their face. At the same time, it enables the customer to relate to a real person as opposed to "just a voice" at the other end of the phone line. It is believed that in order to stay on the forefront of delivering superior customer service, we should explore additional applications and begin making this technology available to some PI customers. Used effectively, it can be a powerful tool to deliver truly memorable customer service while substantially enhancing the customer's perception of our Company. At the same time, we can explore the use of interactive video as a means of enhancing our communications with policyholders (and non-policyholders) as well as promoting our products and services.

These kiosks or Video Customer Service Stations could be made available in large sales offices which have heavy policyholder traffic. We would also like to explore establishing these kiosks in other locations which would provide a high degree of exposure for MetLife policyholders.

In conclusion, adopting the strategy outlined in this proposal would put MetLife on a firm path towards achieving the objectives of the Customer Services Task Force, some of which would be immediately realized including:

- ▶ Immediate establishment of a Corporate 800 Number for advertising and easy access to MetLife by ALL Customers
- ▶ Achieving economies and efficiencies through consolidation and virtual technologies
- ▶ Revenue Generation through increased identification of sales opportunities
- ▶ Managing more of our Call Center Operations to Service Level
- ▶ A better level of service for the PI customer, regardless of product LOB
- ▶ Exploration and development of leading edge customer service technology

CONFIDENTIAL

Suzanne Flynn
Project Manager
Corporate Information Systems
Parsippany, New Jersey

Re "Business Processes" White Paper Sub-Committee

Suzanne, this will supplement our discussion of the other day. As I indicated, I am somewhat confused as to the nature and scope of the recommendations this sub-committee is supposed to "propose." In preparing for our conference call on Thursday, I thought it might be helpful to put some of my questions and thoughts down on paper. I think the fundamental question is: *What kind of recommendations is Steve really looking for?*

- One question I have is whether we should only be considering those "business processes" which are NOT specific to the Line of Business (LOB). Or, can we also consider those processes which may be LOB specific.
- I also see the future of Group Health as a major issue with respect to any Task Force recommendations. In other words, where is Group Health going to fit into our overall customer service strategy considering the merger with Travelers? In terms of our call centers and direct customer contact, I believe Group Health (and our Managed Care Company) has the most call centers and most Customer Service Representatives of any LOB. However, inasmuch as a "new" company is going to be established, it raises many questions. Should it be assumed that this new company will lose all or part of its identity as being MetLife? It would appear this is the direction. Consequently, should it be assumed that the business processes of this new company won't necessarily be a reflection on MetLife and therefore do not need to be consistent with the rest of the Company? Also, as a separate entity, can it be assumed that this new company won't be inclined to participate in other MetLife processes such as generating business for our Personal Insurance field force or the other LOB's?

If we totally exclude Group Health from our business process considerations, it could make a big difference in how we choose to proceed in examining and/or improving some of the business processes involved.

Now, let's go back to the first question above. Within a line of business, there are many things that could be done to improve our customer service. In the case of Personal Insurance, we are in much more of an "expense reduction" than "service improvement" mode with regard to our electronic systems. But, you should be aware that Teleservices has a long history of proposing new business processes (or opposing existing ones). We were able to envision many business process changes as a result of our environment and on the belief that we could significantly improve customer service. While we have been successful in bringing about many relatively minor changes, we have been largely unsuccessful in getting support for those projects which capitalized on our environment and could potentially propel us forward at a far more dramatic pace. *Single Image* is an exception, but it took us a long time and a lot of effort to get this project moving. It was envisioned and started years ago but has only recently begun to get the support it needs. Let me cite one long standing recommendation that has been around for several years but has still never happen;

CONFIDENTIAL

- We ask our policyholders to complete many different forms to effect various transactions. Most of these are cumbersome and confusing to the average policyholder. Frequently, many parts of some of the forms are totally inapplicable to the transaction being requested and can be ignored. But, unless the policyholder can read the *"fine print,"* he or she may not understand this. Several years ago Teleservices promoted the concept of a *"pre-completed turnaround document."* For those transactions where a signed form was required, the necessary information would be collected and recorded *during the call.* A *"transaction specific"* form would be laser produced and mailed to the policy owner *with all the necessary information pre-printed.* This would eliminate confusion with the form completion as well as eliminate any problems associated with incomplete or illegible forms created by poor policyholder handwriting. There's even more with respect to how this form could be processed more efficiently but I won't go into that.

Such a concept would dramatically improve customer perception as well as improve our overall service and processing efficiencies. However, the idea never gained the required support at a high enough level in the Personal Insurance organization to make it happen. In the current environment within Personal Insurance, such a process is not likely to be developed unless it is directed or funded outside the department.

Now, the question; Is this the kind of *business process* recommendation that could be made in the *White Paper?* What if it is only applicable to one line of business such as Personal Insurance? Could it still be supported as part of the overall *business process* improvement?

But, taking this concept a step further, in reality it is a *business process* that could be applicable to all or other lines of business. If we were to proceed in that direction with a recommendation, would it have to be accomplished through some single system that is available to all lines of business? Or, could it be developed within each LOB utilizing their existing systems and still be a part of the recommendation?

If you can answer the above questions, I will better understand just what kind of direction we should be taking. But, as I mentioned to you on the phone, I also see several other generic or universal issues among the LOB's that could be considered a part of our *business processes.* The question is whether or not the various LOB's agree that they should all work together to make them a part of their *business process.* Some things that come to mind are:

- ◆ THE ROLE OF THE "CORPORATE 800 NUMBER" AND CSR IN RELATION TO THE VARIOUS LOB CSRs.
THERE NEEDS TO BE A FIRM STRATEGY AND PHILOSOPHY AS TO WHERE THE RESPONSIBILITIES OF THE LOB CSRs DIFFER AND WHERE THEY ARE THE SAME AS THE CORPORATE 800+MET-LIFE CSR.
- ◆ UNIVERSAL CSR AND/OR EMPLOYEE ACCESS TO CERTAIN INFORMATION
- ◆ ACCESS TO ALL LOB CLIENT/CUSTOMER INFORMATION
- ◆ UNIVERSAL ACCESS TO CHANGE CUSTOMER ADDRESSES (WITH APPROPRIATE CRITERIA FOR CHANGE)
- ◆ UNIFORM PROCEDURE FOR REFERRING, TRANSFERRING AND ACCEPTING CUSTOMER CALLS BETWEEN LOB's
- ◆ UNIVERSAL TRAINING FOR THE DEVELOPMENT OF SALES OPPORTUNITIES FOR ALL LOB's

CONFIDENTIAL

- ◆ AGREEMENT AS TO WHAT INFORMATION IS TO BE CAPTURED AND MAINTAINED AS A RESULT OF CUSTOMER PHONE CONTACTS
- ◆ CONSISTENT EMPHASIS ON SERVICE OUTCOMES AND CUSTOMER HANDLING SKILLS VERSUS PRODUCTIVITY/STAFFING MEASUREMENTS
- ◆ UNIFORM "SERVICE LEVEL" OBJECTIVE ACROSS LOB's
- ◆ CAN SYSTEMS/OPERATIONS/MANAGEMENT EFFICIENCIES BE ACHIEVED THROUGH CONSOLIDATION OF SOME LOB CALL CENTERS?

Some additional thoughts on the above items are as follows:

Role of Corporate 800 CSR

Although we discussed the potential role of the Corporate 800 CSR at some length, I don't know that we fully considered the impact and role of this position as it relates to the other LOB CSRs. For example; one of the issues being raised is the need for all CSRs throughout the Company to be aware of such things as any current publicity or advertising, particularly if the advertising is offering fulfillment such as our July campaign. All CSRs really need to be aware of any other Company related issues that might be raised by any customer dealing with MetLife.

It is unknown how the CSRs in the other LOB's are currently dealing with general (*non-LOB*) customer comments or inquiries. In some cases I believe other LOB callers are already being referred to 800+MET-LIFE for more information. However, I'm sure that in many instances the CSRs in the other LOB's don't feel they can address the comments with the customer and may be just ignoring them or avoiding the issues as much as possible.

Now, the question that arises is; *What will happen when 800+MET-LIFE becomes even more recognized as being the "Corporate" information center, not only publicly, but internally?* In other words, will it just become the "dumping ground" for the other LOB's to refer their calls rather than assume any responsibility to handle it themselves?

This raises the fundamental question as to what will we expect CSRs within the various LOB's to handle. Should *any* CSR in any location be aware of and prepared to address an article or news story involving MetLife or the industry that appeared in a publication or on television? Or, will the LOB's consider this the sole responsibility of the Corporate 800 number and just to tell their customer to call 800+MET-LIFE for more information?

As we continue with our advertising, particularly if there is some type of fulfillment involved, should every CSR throughout the Company be prepared to deal with a customer's request for the material? Or again, will the caller be told they have to call 800+MET-LIFE to get it?

CONFIDENTIAL

The point is this: There should be some determination made as to what specific "non-LOB" activities are or will be handled by each LOB call center. With the advent of the Corporate 800 number, the LOB's need to reach some agreement and understanding as to the level of responsibility each of their CSRs and/or customer service operations will assume. In some cases it may be appropriate for the LOB to refer the caller to the Corporate 800 number. But again, there should be consistency and uniformity across LOB's as to when this should occur.

Access to Information

The need for access to information is a business process need which goes across all lines of business. The degree to which information is needed depends upon the expectations outlined above with respect to what each LOB expects its CSRs (and other customer service employees) to be able to handle. However, the Company should always be fully prepared to respond to inquiries or comments relative to our advertising or publicity. If this isn't going to be done by every LOB, the LOB's still need to be aware of what's going on and the fact that such calls *should be* referred to 800+MET-LIFE if they're not going to handle it.

The merger with Travelers is one example of the type of information that needs to be immediately communicated to CSRs. The very first day articles appeared we received comments and inquiries. I can only assume that an even larger number were received in the Group call centers. Yet, there is no "common" source of information for all employees to access to keep abreast of such changes and developments. Although internal information usually follows, it is not timely enough to be of value to most of the CSRs. And, there is always a question as to whether CSRs throughout the Company are on the distribution for all this information. As outlined above, all Company CSRs should be prepared to deal with this type of announcement or publicity as soon as it occurs. Again, their way of dealing with it may be to handle it themselves or tell the caller they can obtain more information by calling 800+MET-LIFE. But, as a *business process*, all LOB's should be prepared to handle it.

The same is true for our advertising. CSRs throughout the Company should be aware of it. Then there should be agreement and a formal process among the LOB's as to how any inquiries or responses in their customer service operations will be handled. Depending upon the nature of the advertisement, it might be appropriate to transfer the caller to another LOB or the Company may want to ensure that any "fulfillment" is processed by the CSR receiving the inquiry.

A business process need is a system and/or organization that can satisfy these communication needs throughout the Company. Every CSR should be able to call up all "current events" on their terminal daily which would provide them with the text of any Company related publicity as well as a rundown on any other activities or programs that may be of value to the CSR in handling or responding to their customers.

Full Client/Customer Information

Although the Client File (PICX) provides considerable customer information, it is not complete. If Group Health becomes a separate company, it may totally change the way these customers view MetLife and it may eliminate our need to deal with any Group Health related issues. However, we should still be aware if a customer is covered by some form of Group life or disability insurance. If we continue to retain the vision care and dental coverage within MetLife, this information should also be available. Essentially, whenever a MetLife customer makes contact with the Company, a CSR should be able to know the full extent of the individual's relationship with the Company. Ideally, the customer file would show all such coverage. It should also show the name and number of the appropriate LOB office that would handle each of the coverages if it is necessary for the CSR to refer a customer to another LOB for service or information.

CONFIDENTIAL

Universal Change of Address

In conjunction with the Client file, a CSR in any office should be able to change the address on ALL of a customer's coverage. This may not be possible with some LOB's where an address change has other implications such as with Met P&C where automobile or homeowner's rates or coverage are immediately affected. Consequently, if the center initially receiving the call cannot change the address for another LOB, there should be a procedure and facility in place to immediately transfer the caller to the appropriate LOB office required to make the change.

However, it should be recognized that there may also be other problems associated with one LOB changing addresses for another. The various LOB's may have specific criteria or issues that need to be taken into consideration when changing an address. For example; a PI customer might be reporting an address change as a result of a separation or divorce. The Client File may show that there are numerous policies in the household.

Consequently, *policy ownership* then becomes an issue in changing the address on some or all of the policy records. When these situations arise, the CSR in the other LOB would have to have a facility that makes him or her aware of any issues that must be taken into consideration when changing the address for a different LOB. Or, if that CSR has problems or is reluctant to make the change, the business procedure should be in place for that CSR to transfer the caller to the appropriate LOB for handling.

Referring/Transferring Calls

The Personal Insurance call centers have always considered it a responsibility to be able to effectively refer callers to other LOB's when necessary. To a large degree, this responsibility was inherent with our utilization of 800+MET-LIFE as our service number. Because we used this number, we automatically found ourselves in the position of receiving a wide range of calls often unrelated to Personal Insurance.

However, across the LOB's, there is not any uniform philosophy, strategy or business process in place regarding referring, transferring or accepting transfer calls for different LOB's. If we are going to view customer service from the global Corporate perspective rather than our typical LOB point of view, then we should have a formal business process in place for dealing with calls involving other LOB's. While the Corporate 800 number may be the primary recipient of these calls, all LOB's get calls for, . . . or that involve another LOB. If we adopt a policy similar to the above on handling changes of address, then it becomes imperative that all CSRs be able to refer or transfer calls.

On the flip side, each LOB should also have a separate business process in place to accept and handle calls being transferred from another LOB CSR. In other words, ideally if we are transferring a call from one LOB to another, we should be assured that the call will be answered and handled immediately. We should not transfer a call only to have it dumped in a long queue or perhaps subjected to a VRU. Ideally, each LOB would have a special facility in place to ensure that calls being transferred by a different LOB CSR can always get through immediately to a live person. This is essential if we genuinely want to make the right kind of impression on our customer.

CONFIDENTIAL

Sales/Product Opportunities

Providing world class customer service is an investment that pays for itself in many indirect ways. But, at the same time, all customer service employees throughout the Company *should recognize their responsibility to help contribute to the Company's income by seizing the sales and product opportunities that are inherent in many of our customer contacts.* While the vast majority of these opportunities may be directed towards the Personal Insurance Sales Force, no opportunity or LOB should be excluded.

The business process need is to examine the nature of the calls and contact within each LOB. From there, the most prevalent types of sales or product opportunities should be determined. An ongoing training and support program should then be developed which crosses and encompasses all LOB's. A CSR in any LOB should be equally attuned to developing a sales or product opportunity for Personal Insurance, Pensions, Property and Casualty, Mutual Funds, or even Group (*excluding Group Health*). This is a complex issue and will not happen instantly.

However, we should have the full commitment of all LOB's and a business process in place which is taking us in the right direction. To a degree, this is already happening but I am a little unclear as to the overall level of recognition, commitment and support the program has. At the same time, it must be recognized that some opportunities will be developed that will not be addressed or pursued by our PI sales force. Presently those sales are lost. In Met P&C, business can be put on the books directly by representatives within their Service Centers. A new business process needs to be put in place which would allow the Customer Service Centers (*or some other organization within Personal Insurance*) to pursue those opportunities which are developed but not contacted for one reason or another (*i.e., geography and distance from a representative*).

We should also further explore the opportunity to generate opportunities from non-policyholders through our advertising and Corporate 800 number.

Capturing Information and Call Tracking

As a business process, we should determine what information we want to capture and track across all LOB's. Personal Insurance has the most effective system (TMOS) in place for call tracking. This system was designed to meet many needs including the possibility that we might want to use information from this system for future marketing purposes.

Every customer contact is an opportunity to gather critical marketing related information. If we had an effective system to record it (PICX?), the CSRs could be asking callers a few simple questions that could provide a wealth of information. For example, we obtain the insured's occupation at the time our policies are issued but never again. We could "update" this information on our files. We could ask whether or not there has been any change occupation or family status such as; married, divorced, recent children, retired, etc. All of these conditions could make the caller a good prospect for some "target marketing."

If these questions are approached properly and professionally, we should be able to gather this information without offending or irritating our customers. At the same time, there would be no point in gathering it unless we were going to be in the position to utilize it now or at some point in the future. But, we should develop much stronger demographics on our own customer base and utilize that information to market to their potential financial service needs. At the same time, this business process should be universal across all LOB's, not just Personal Insurance. All LOB's would have to have access to the same system on which to record it.

CONFIDENTIAL

This approach is also consistent with John Riley's concept of a "Comprehensive Customer File" which would provide a record of all of an individual's customer contacts with MetLife. It was John's feeling that such a file would also be valuable for marketing purposes. Again, however, this should not be something that is just confined to Personal Insurance. We should be capturing and tracking customer information across all LOB's.

And, there should be some consistency and agreement as to just what information will be captured and tracked.

Consistent Emphasis on Service Delivery and Outcomes Versus Expense Issues

Staffing and expense has been a major constraint across all lines of business in terms of delivering true quality service in the call center environment. It is an environment that is not well understood throughout the Company, and staffing and call volume pressures have made it difficult for many LOB's to focus on the training and call handling skills of the CSRs as well as the service outcomes. While I believe Personal Insurance is the exception, in many of our call centers comprehensive training has been a scarce commodity and there has often been relatively little focus on enhancing the service and call handling skills of the CSRs.

Fortunately, this is rapidly changing. However, it is changing individually by call center within the LOB's. There needs to be a universal strategy and emphasis on the training and on developing and improving the customer handling skills of the CSRs as well as improving the service outcomes. The LOB's should get together and develop a common "vision" as to just how their CSRs and call centers should be functioning. There should be agreement and commitment to ensuring that CSRs throughout the Company receive the necessary training and support required to project a "single perception" as to the quality of MetLife service so that customers who may have dealings with more than one LOB are equally impressed. To do this, there needs to be universal recognition and understanding of the call center environment and just what it takes to manage it effectively.

Managing to a Universal Service Level

In keeping with the above, if the Company is going to attempt to project a *single perception* of our service quality, then there needs to be a universal objective established for managing to service level. At the same time, there needs to be a thorough understanding at all levels of the organization as to just what is required to manage and achieve such an objective. A business process needs to be in place to develop and establish that objective as well as the corresponding requirements to achieve it.

Call Center Consolidation Across Lines of Business

Finally, it needs to be recognized that achieving these objectives across all LOB call centers becomes very difficult and costly when dealing with multiple, small centers. The support organization required to achieve and maintain such high levels of service on an ongoing basis are substantial. Their costs do not increase proportionate to the size of the call center.

CONFIDENTIAL

The concept of multiple, "virtual" call centers is both realistic and practical. Tulsa and Warwick are moving closer to this every day. However, virtual call centers will not solve all the call center management problems and issues across all lines of business. In some ways they only increase the management challenge and difficulty. It would seem that a more appropriate solution would be to carefully examine all the various LOB call (and Customer Service Centers) to determine if some consolidation is appropriate, either within or across the LOB's. Perhaps we should be moving towards a concept of "multi-line" call centers (and/or Customer Service Centers) to better meet our customer needs and expectations. From my own experience, it is easier to manage a larger call center than a small one provided it has the proper training, support and telecommunications organization in place. A strong support organization is absolutely essential to achieve the level of service being outlined in this document. But again, the expense of this support organization becomes a less significant factor as the size of the call center grows.

Suzanne, I'm sorry if I may have rambled a bit but I wanted to get these thoughts down before our conference call tomorrow. I'm sure I'll think of others, but perhaps this will be of some value for our discussion.

J. L. Rayl, ACS
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

July 6, 1994

ccGardner, White & Schoos

CONFIDENTIAL

CONFIDENTIAL

Robert J. Crimmins
Executive Vice-President
Personal Insurance

Dear Bob

I have tried to refrain from writing or bothering you unless I felt I had something really important to say because I know you are wrestling with far more important issues. But, in your recent conference call (*which was very well received*) you stated that more people needed to be able to reach you. In view of recent events, I thought it might be timely to give you a little reality check with the front lines to let you know how the situation looks from here. I will try and be as brief as possible but there is a lot of ground to cover.

I just learned that Vince was going to be leaving Customer Services to become your chief Planning Officer. On the one hand, that makes perfect sense. If there's anything you need, it is more people like Vince who hold the Company's interests first and then calls it as he sees it. Right or wrong, agree or disagree, you know he's not operating for some personal gain or based on some irrelevant personal agenda. I am sure he will be an extremely valuable asset to you in his new role.

At the same time, Customer Services and PI Administration is suffering a loss that may spell the difference between the success or failure of our customer service goals. And, because of everything that has, or is likely to transpire, these goals have become more important than at any time in my career with the Company. The media attention that was being focused on the Company is starting to shift to the industry as a whole. When that occurs, it may have an even greater impact (*and policyholder reaction*) on the Company than the specific MetLife publicity. But, it still brings with it a tremendous opportunity for the Company to strengthen its image by capitalizing on its customer service operations as well as its Field Force. Jim Valentino was just here and mentioned that one of the new Corporate strategies was to: *Build customer relationships based on; Service, Education and Trust.*

Sound familiar? It seems to me that you and I were discussing these potential benefits of Teleservicing *back in 1982 after you first envisioned it.* What an opportunity we have. For a long time I didn't think I would ever see the senior levels of management begin to be genuinely concerned with customer service, much less talk about it as a major strategy and priority. But, because of what's happened in the market place, it is recognized that it's become a necessity if we are to attract and retain business. And, the recent events give us an opportunity to make Teleservicing an even more valuable resource for Personal Insurance. But, the real question is: *Can PI actually begin to capture the full potential of this resource and its impact on the customer?*

I now have some grave doubts. If it's going to happen, from the customer's perspective it will have to happen at this level of the organization. All the discussion at the high levels of the Company will not change customer perception. **WE WILL!** While I think we're running 200 miles an hour trying to make this happen, much of the organization has become an anchor that is only dragging us down. From my own personal perspective, with Vince, *there was hope.* Without him, I'm inclined to say there's not much chance that we can really achieve these goals unless other significant changes are forthcoming.

CONFIDENTIAL

MP4011070354

CONFIDENTIAL

A couple of years ago, when Frank took over as the first senior officer actually responsible for Customer Service, I told you I was pleased with the decision. This finally positioned us (at least organizationally and on paper) to make some dramatic progress. The centralization of the administrative work to Warwick and Tulsa combined with Teleservicing created a powerful customer service operation. It also provided many new opportunities for change and progress with respect to our customers and the delivery of customer service. But, for the most part, the moment and opportunity was lost.

While there was some change, it was basically "business as usual" and everybody continued working on their own personal agendas and would not listen to this level of the organization. The incompetent leadership of this office only exacerbated that problem. Most of the change continued to be driven from the top down instead of from the bottom up. Major strategic change which was trying to come from the bottom up continued to run into brick walls or be ambushed along the way. Bear in mind that the two Customer Service Centers were now dealing with our entire customer base. Having that scope to our operations put us in touch with what was happening all over. It gave many issues a new level of magnitude and priority. We saw many things happening with our customer base.

In spite of this, great things have still been accomplished at the front line employee level. The employee growth of the two Customer Service Centers actually enabled us to change our "culture" with respect to the way we think about and deal with our customers. But the fact is, at the upper organization level few people really wanted to hear our ideas. They did not want to discuss the new opportunities and possibilities this organization change created. While there were valid distractions in our Corporate organization (i.e., Bridgewater move) that had some impact on the level of progress we could make, the organization was, and still is, primarily consumed with its own self-interests and personal agendas.

I spent years trying to get people to listen to the potential of proactively addressing the customer complaints that came through Teleservicing (including those from nurses). Some of these were truly frightening and deserved swift and decisive action. We long ago proposed a centralized Consumer Relations organization that would oversee the marketing complaints. It needed to have some real authority and be empowered to take corrective action with the Regions and/or Branches. The one and only attempt to address this was a valiant effort made by Vince during that brief period when he was responsible for Teleservicing before. But, the organization changed and it became apparent that this was an exercise in futility so for once in my life I actually gave up and dropped the issue. Based on complaints over the past three years, I tried to convince people we were (and are) sitting on a "time bomb" with the way "Accelerated Payment" was presented and sold to our customers. We are now moving, albeit very slowly, to address this issue, but again, nobody wanted to listen until it got really serious. I see this issue as being equally or perhaps even more dangerous than the Florida situation.

To effect change, our general modus operandi is to form "Task Forces" or "Natural Work Teams" to study the issues. In most cases, these are driven from the top down, controlled by personal agendas, and don't even involve the appropriate players. There almost seems to be an overt conspiracy against involving or even asking the opinions of the people who do the work or would have to live with the consequences.

CONFIDENTIAL

CONFIDENTIAL

The current Teleservicing and Corporate 800 number Task Forces had no representation from Kathy or I until Vince stepped in and insisted upon it. We have jerked around and failed to take significant action with "address changes" since my days as manager of FES. Our current effort has gone on for over two years and we appear destined to develop a separate system that most of the users don't want, at least in the form it is taking. Again, we have a task force comprised primarily of "systems" people and a couple of token "users." Had people listened years ago, we wouldn't be considering this a major problem today.

Single Image is another example. This has been debated for on to three years now. Vince has had a dramatic impact on the progress of this project but we should be much further ahead than we are. The competition has leap frogged us on this. But, this was a "bottom up" project as opposed to a "top down" so getting the necessary support and action (prior to Vince) has been all but impossible. It still wasn't easy for Vince to get it off the dime and it is finally progressing, but at a pace that still puts full installation a couple of years away if not more. This, while we take 120 programmers off their projects to look for "expense savings." It almost borders on absurdity. Give the users the systems we want and need and we'll eventually get the savings, but not without the up front investment.

The Baldrige feedback was right on target with the statement that "Planning for operational improvement is not as rigorous as planning for cost reduction." We always go for the short term solutions. It's easier for people to cover their fannies by achieving the short term expense reductions than stretch for the long term savings by delivering the systems to meet the future needs. At the same time, we allow resources and money to be devoted to "pie in the sky" electronic projects coming from the top down that won't serve the users, aren't wanted, and we know won't work. (I can cite examples but won't waste the space.) *Single Image* is living testimony to our short sighted vision and the unwillingness of our people to take a risk. But, the Company has created the culture because this behavior continues to get recognized and rewarded.

With many of our change issues around the organization, we have a propensity to get everyone involved and let *everyone decide*. This is not effective participative management or a democracy. All it does is allow people to cover their fanny by having no individual to hold accountable or responsible. Every democracy needs a leader. All we should be guaranteed is that the affected parties to any change will be heard. Letting everyone *decide* only wastes time and impedes progress. After we have had our say, we need someone with a little vision, a little common sense, some savvy and the authority to make the decision and move forward. We try and get a consensus on too many things from the wrong people so we become impotent on the strategic issues that really matter. On the small decisions, we delegate everything upward because we don't hold people accountable. Consequently, we can't even get the small decisions made.

Kathy and I could probably help develop a *realistic and workable* strategy on the Corporate 800 number in a day. Instead, people have been involved that don't begin to understand the call center complexities. I have devoted hours upon hours trying to make people understand that the current direction would bring disaster, especially for the customers of *Personal Insurance*. But, again, nobody (*other than Vince*) wanted to listen to the facts and consider involving those who would be expected to make it work.

(Although Vince has been extremely supportive since he took over, are you aware that we have been *intentionally* returning a "busy" signal to thousands of policyholder calls because we have been in a battle to play "catch up" on the staffing from 1992?)

CONFIDENTIAL

CONFIDENTIAL

While I guess Barbara is theoretically supposed make certain these issues are heard and understood, there isn't a chance. She isn't about to worry about the Company, the PI Customer or anyone else if it gets in the way of her own personal agenda or she can score more points by keeping her mouth shut and fully support Mr. Valentino's slightly flawed idea. But fortunately, I had a "one on one" with Jim Valentino and I think he finally began to understand the problems and issues at stake. But, someone still has to lead the charge if we are really going to make the changes required to meet *the needs of the PI customer* while implementing 800+MET-LIFE as the "Corporate" number.

Bob, there has been a revolution going on at this level of the organization. The size and scope of the two Customer Service Centers has dramatically changed the way every employee in this building looks at our customers. The revolution in the market place with respect to customer service is also very apparent to our employees. It is this level of the organization that should be driving change. This office represents about 42% of our customer base. If Barbara is to be the sole representative of that constituency within the organization, God help us, the customers and the Company. Her real impact and damage may not be visible for several years, but it will be there. I see no way our customers' interests will ever be adequately expressed and they will absolutely never come ahead of her own. We have changed so much at this level of the operation that most of those who have not been here in the midst of the battle cannot begin to comprehend what has taken place. She doesn't have a clue and most others are too busy to listen because of their own interests or agendas.

I've been knocking myself out trying to manage 200 people and tolerating all of Barbara's nonsense because, with Vince in place, there was hope. There was someone *listening* whose first concern was what was best for the Company. There was someone *brave enough* to be less worried about what was *politically correct* and who would stand up and be counted on the critical issues. And, it certainly didn't hurt that it was someone I considered a friend and who made it possible for me to tolerate this horrible environment.

Bob, now more than ever, we are confronted with opportunity. The opportunity exists to truly capitalize on everything that's happened. Between the establishment of a "Corporate" 800 Number and the further development of Teleservicing, we could use this resource to create a new image for the Company. In the process, we could:

- Build or substantially reinforce the *relationships* with our customers through *easy access* and a concerted effort to make certain they are *educated*
- Build or substantially reinforce the *trust level* of our customers
- Develop *Sales Opportunities* beyond anything currently imagined

Bob, I know you've heard all of this before, but what you're hearing me say now is that IT ISN'T going to happen unless some dramatic changes take place in the administrative organization. With Vince gone, you need somebody who will *listen to the front lines*. You need some (*realistic*) visionaries and some risk takers. But, most of all, you need someone who is capable of driving this change within the organization and can make it happen. And, that's where it all falls apart as I'm not sure that such a person exists. I thought if anybody could do it, Vince could. But, even then, I wasn't sure he would be able to get past all the organizational blockades and barriers.

CONFIDENTIAL

CONFIDENTIAL

I recently told you that I thought you were the only person who could lead Personal Insurance out of this current situation. I meant that. You are the only one who can truly *inspire* the organization. But I was also operating on the assumption that Vince would continue to be there to challenge and shake-up the administrative organization. In fact, I really thought he would be the heir apparent to Frank, and would then be in a position where he could really make the needed changes. But, I have no doubts that he will have equal, or perhaps greater impact in his new role. But, the entire PI organization needs to be shaken up to meet the challenge and seize the opportunity that we face.

Bob, I hope this does not come across as just being my frustration or that I'm just griping and complaining. I am trying to convey my sense of loss with the repositioning of Vince and also give you a picture of the way it looks from here. I have long since accepted that I'm not going to change the Company. Vince did give me a glimmer of hope that it might really change but, at this point, my expectations are pretty low.

I also hope you realize that I am in no way trying to blame you for what I perceive to be the problems in Customer Services. You placed your faith and trust in people and as far as I'm concerned, it is they who let you down. You are at far too high a level to be able to know or control what's happening at this level of the organization. To a degree, we are today the product of a 125 years of a "Corporate culture" that is really hard to change, although some progress has definitely been made.

As I have told some people lately, I am glad that I am approaching the end of my career rather than the beginning. After everything that transpired a couple of years ago over my difficulties with Barbara, and Frank made it clear that I really had no choice but to leave or endure, I knew where I stood. I have no real expectation that things will change at this office so if I can last another three years and four months, I fully expect to be out of here. I won't take one more day of this environment than I have to. And, I certainly can't fight all the Corporate and customer issues on my own. I'll have to work when I leave, but I really think I can go sell telephone switches or find work in the call center/telephone field to supplement my retirement. But, I would really much rather be here if things were going to change and we were going to make a legitimate effort to become all we can be.

The fate of Personal Insurance will be determined by that time. MetLife will either be well on the road to being recognized as "The Company noted for the high ethics and integrity of its Field Force as well as its genuine caring and concern for its customers as demonstrated by its Customer Service operation" or it will probably continue to be just the "second largest life insurance company."

Even Jim Valentino acknowledged that PI is on the leading edge within the Company with respect to our Teleservicing and customer service. But, we should be on the leading edge within the entire industry. That's not going to happen unless there are some changes. We do have the opportunity in front of us, but I have serious doubts that enough of the organization is truly up to the challenge and commitment it will take to capitalize on the situation and go after the long term rewards and success that are possible.

CONFIDENTIAL

ME-011070359

CONFIDENTIAL

Bob, I have a feeling that Vince will be much happier in his new role and, in some ways, he's probably breathing a sigh of relief that he won't have to deal with the organization in the same way as he did in Customer Services. But, he will be sorely missed. I truly wish both of you all the best as you grapple with the overwhelming challenge that faces Personal Insurance. If it can be done, it is only you who can do it.

Please don't feel that I expect or want any personal response. All I want is to be heard, for whatever it's worth. But, do know that you, the Company and the customers have the loyalty, commitment and dedication of myself and my entire management team to do our very best to see that your visions are carried out, no matter what the obstacles. It is you who has inspired me and, in turn, enabled me to inspire them. If anything happens to that, it will be real hard to find a good reason to care anymore.

Warmest personal regards

J. L. Rayl, ACS
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

January 19, 1994

CONFIDENTIAL

CONFIDENTIAL

Vincent J. Donnelly
Vice-President
P.I. Customer Services

MP4011070360

CONFIDENTIAL

Dear Vince

I was hoping to put off trying to address this issue until after the first of the year. However, Teleservices is in dire need of additional space and with the relocation of NBSS, we are considering some major moves. Aside from this, things have reached the point where I am contemplating requesting an organizational change. If this is done, it really should be factored into any new floor plans we might develop.

Vince, the problem boils down to the fact that I need some relief. As you know, there are many issues rapidly emerging with Teleservices. *Sales Opportunities*, the *Corporate 800 Number*, *Managing to Service Level* are all items which will require extensive amounts of manager/director time and involvement in spite of the fact that I am blessed with good subordinate support. Also, there are any number of actions or decisions flowing down from the top of the Company that land right on our operation. In the current environment, this is only likely to increase.

The administrative work reorganization has also created very large C/L/D operations. This has resulted in the identification of many new systems and procedural issues which need to be addressed. Many of these require or deserve more manager/director time and attention than I am currently able to provide. And, when you put it all together, having 200+ people is just too many for one director to try and manage *under the current organization structure*.

I've had the opportunity to be with Kathy twice in the last few weeks and while I cannot really speak for her, I think we are both feeling many of the same things. There is so much going on in our operations that I know I feel like I have the equivalent of a herd of elephants sitting on my head . . . and on the heads of my key subordinates. I think Kathy and I have had no choice but to delegate increasing amounts of responsibility to our subordinates which, in some cases, has gone well beyond the level of responsibility we should reasonably expect from people in these positions. Particularly when these people cannot be given an adequate level of manager/director time and support to help them carry out this responsibility. It is becoming apparent to me that I have long since delegated more than these people can handle. There are more and more things not getting done because it is just too much and the work and stress is now beginning to take its toll on some members of my staff.

The demands and expectations for our Teleservicing organizations by both the Company and our customers are changing and growing at warp speed. Add to this all the increased emphasis on Baldrige, and improved customer service in general, and there's a massive challenge with this piece of the organization (*assuming we're really going to continue to try and "walk the talk" and can maintain adequate resources*).

MP4011070361

CONFIDENTIAL

There is also a high level of frustration being created by the fact that few outside the division fully understand the issues associated with Call Center Management nor do most want to hear them. We have consumed vast amounts of time and energy trying to educate people about our customers and our Call Center operations in general. I can't help but wonder where MetLife would be today if people other than yourself had really listened to my repeated concerns over marketing related complaints a few years back. The same is true with "AP" (*Accelerated Payment*) which we're finally beginning to address. But, in the current environment, it may prove to be too little too late if the Insurance Departments decide to latch onto that one.

The Corporate 800 number is another current example. While you listened, learned and understood our concerns, it has been almost impossible to get others to *even listen* to the implications of a seemingly "simple" decision. It is one thing when people make a decision after hearing all the facts. It is entirely another when they aren't interested in listening and don't understand the consequences.

Vince, I think both Kathy and I have demonstrated that there is a definite synergy and customer benefit by having the C/L/D organization closely tied to Teleservices. In my case I know it has created a totally new "*customer awareness*" within C/L/D and it has certainly shaped their priorities and procedures. Long term, I also believe that the only solution to our "*Managing to Service Level*" will be in having some portion of the workforce that can be quickly and easily shifted between C/L/D and Teleservices as dictated by call volume fluctuation.

But, the reality is that one manager/director for both of these areas is no longer a viable approach. Both areas just have too many of their own needs and activities. Both need competent managers to oversee their operations on a day to day basis. However, having both of these managers report to one entity responsible for maintaining the synergy and enhanced customer service would be an ideal solution (*providing they are the right managers*).

I am at the point where I am ready to ask Barbara to just split off C/L/D. But, I also know that if I do, both Teleservicing and the customers will be losers in the deal. If she selects the manager and he/she reports directly to her, the focus and priorities of C/L/D will be away from the customer service synergy that has developed between C/L/D and Teleservices. The focus will most likely turn to whatever happens to be Barbara's current pet management philosophy (*of the week*) or something as equally superficial. I also have a good idea as to who is on her list of candidates and my assessment is that most of them couldn't manage their way out of a paper bag.

Down in Florida you mentioned that something might happen for Kathy and I in 1994. In view of all the recent Company difficulties and events, I cannot help but suspect that getting this accomplished in the near future will be extremely difficult *in spite of your best efforts and intentions*. And, I will understand. I certainly know by now that nothing in Met is a "sure thing" until it happens. Perhaps it could still be accomplished by elevating the Director level to encompass subordinate managers but that also might take some doing.

CONFIDENTIAL

MP4011070362

CONFIDENTIAL

However, the potential advancement is not the real issue. I would gladly trade any advancement for having my life simplified in other ways which I know you understand. The root issue here is whether or not both C/L/D and Teleservices can and should have their own managers and whether those managers should report to an intermediate entity ahead of the Operations Vice-President. Previously it was my expectation that if you were able to pull off what you discussed, not only would both areas report to me, *but I thought I would also be able to select the managers.* Thus, I didn't feel much of the synergy would be lost by each area having their own manager. But, I would only want responsibility for both areas if I could choose the managers.

But, like I said, I'm beginning to think the timing is probably not right for this to happen. Even if it occurred, I fully suspect there would be a major battle over the managerial selections. Consequently, with our tentative move under consideration, I feel like telling Barbara to just take C/L/D and whatever happens, happens. Having so much responsibility under the current organization is just giving her more "targets" to shoot at with respect to me personally anyway. And, the reality is that I am not currently able to do justice to either side of the organization. Even if I assume responsibility only for Teleservices, I will have to ask someone to assume a large part of the managerial activity for overseeing the multiple CSR supervisors and the associated day to day activities. There are just too many things at a higher level demanding my attention considering the magnitude of the challenges immediately in front of us.

Vince, please trust me that I am not trying to put you on the spot or get some kind of commitment. And, I am not trying to force any issues. The simple fact is that something has to give sometime, and depending upon the way the move goes, now might be the appropriate time. I need some help and some guidance and I'm turning to you to give me some advice if you can. *Should I just let it go or do you really think there's a reason to hold on?* If I give up C/L/D, I suspect Kathy would be asked to do the same. I'm not sure she's particularly opposed to it, but I think we both hate to lose the benefits for the customer of having them together.

Any thoughts or insight you can share would be most appreciated.

J. L. Rayl, ACS
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

December 21, 1993

CONFIDENTIAL

Ken Gelman
Assistant Vice-President
Quality Initiatives
P.I. Customer Services
BRIDGEWATER
Area 2E - 137

Re Teleservicing Natural Work Team Meeting

Ken, this is to supplement our conversation. Inasmuch as Wichita has also asked for a list of "strategic" issues, this memo is being copied to them to serve that purpose. As I mentioned, both Kathy and I felt the "Natural Work Team" concept needed to be reexamined. Please refer to the memo attached which I sent to Jerry Barocas. Our original NWT was a "working" team and consisted primarily of the management and supervisors from Tulsa and Warwick, the Project Manager and key players in Wichita, and with John Hodel representing Scranton. These were extremely productive meetings and should be continued.

The difference we have today is the increased Company emphasis on Customer Service as a whole and Teleservicing in particular. At the same time, there are a lot of new issues which are surfacing every day that could have a dramatic impact our operation. In some cases, directions are being taken or things are being decided without adequate representation or consideration of the "front line" viewpoint. There are no management people within Personal Insurance that have more direct exposure, contact and feedback from our customers than do Kathy and I. Yet, on the major Corporate issues, our opinions are often not solicited, not heard, discounted or ignored.

As I indicated to you on the phone, there are many issues facing Teleservicing and our customers which need to be addressed. I don't think these can be resolved in the Frank Lynch Planning Board environment. The future direction of Customer Service in MetLife as it relates to Teleservicing warrants a separate meeting and perhaps a *Planning Board*, separate from the NWT. Perhaps such an organization could bring some of these to a resolution.

Ken, one of the key issues facing us is; *what actions are going to be taken as a result of the report issued by the Customer Services Task Force chaired by Bruce Goodman?* I have just read a draft of their report. While I am glad that such a Task Force was formed and that customer service issues are finally being addressed at that level, I was struck by the following:

- Much of what we paid an outside consultant to tell us are many of the same things that Kathy Schoos and I have been saying for the past several years. We listened to these same people years ago. Effectively managing a call center is unlike any other operation in the Company. Yet, there were people in P.I. intent on trying to measure it and manage it as a "traditional" work unit. Many of the *Call Center* issues that appeared to come as "revelations" to the Task Force are the same ones Kathy and I have raised repeatedly but were seldom heard, or if heard, . . . not supported.

CONFIDENTIAL

- This Task Force made sweeping generalizations and recommendations on what these *Call Centers* should do based on what the Task Force thinks our customers want. It seemed to me that we are once again promoting the "one size fits all" mentality that we have used so often in the past. A Group customer calling about a claim payment is totally different from the P.I. caller wanting service or information. The Group employee can't just walk away from MetLife in most cases. And, the Pensions caller may be different from both. I would bet their demographics are quite different, their needs are different and their expectations are different. As part of this we appear determined to believe that "technology" is the panacea for all ills and are intent on subjecting everyone to the same technology. Again, we have lost sight that *all customers are not the same* and we need to look beyond the technology to understand our caller and their specific needs and expectations. Many of the problems in the past were created by the fact that we have tried to use technology to drive how we conduct our business rather than let our *customers drive our business and technology needs*.

Who in Personal Insurance knows the "calling customer" better than Kathy or I??? The same is true for the people managing call centers for the other lines of business. I'm sure they also know their callers. But, I saw no evidence that before making all the recommendations, the Task Force considered asking us what we think our customers want or need. Unfortunately, we always seem to attach a far higher level of credibility to some third party than those of us from within the organization.

- The Task Force recommends a lot of new technology while the organization will not address the basic customer needs and "old" technology issues we have been raising for years. To think that we do not have the ability to mail the customer a simple form to sign that is transaction specific, pre-completed and can be read and understood is crazy with the technology that is available. Instead, we send an intimidating, incomprehensible *Service Request Form* or similar complicated form that was never designed for the average policyholder to understand. All too often we want to talk about the "ideal," devote energy and resources to it . . . BEFORE we solve today's basic needs.
- One big recommendation that we are not doing is "Staffing To Service Level." This is a much more complex management challenge than the Task Force might realize. In addition, it will require additional CSR resources. This is even compounded if we extend our hours. I am concerned about our ability to just answer the calls over the next few months. I am down at least seven CSRs from a year ago and calls were up by 100,000 in 1992. Yet, a decision to add or replace CSRs requires the approval of a Senior Vice-President.

We talk a lot about "empowering" employees. Perhaps we should be addressing the empowerment of our directors and managers. We are still very much a "top down" organization rather than a "bottom up" company that is driven by our customers in combination with our front line managers and supervisors.

CONFIDENTIAL

Ken, some of the strategic issues that I would like to see addressed in a Teleservicing Planning Board are as follows:

- SINGLE IMAGE

It was positive to see that the Task Force recommended pursuit of the customer oriented "GUI" technology. This is exactly what Wichita and the two Teleservicing organizations have proposed for *Single Image*. Yet, considering the magnitude of this undertaking, we are moving forward relatively slowly and devoting only minimal resources to this challenge. In the process, we are impeded by spending lots of time debating the cost/benefit issues. This is reminiscent of both SONIC and Teleservicing. We spent years analyzing and debating cost/benefit. Yet, in the final analysis we were ultimately forced by the competition to move forward anyway. Just as those involved had been saying all along. In the case of Teleservicing, instead of being the leader in the industry, we wasted years and now we're just one of many struggling with the same old issues and problems.

Single Image offers the most revolutionary approach to our electronic systems and our employee/customer interaction since the advent of the CRT and online system itself. We should decide what and where this is going in 1993 and beyond. If we develop this to its full potential, it will still be a multi-year effort even if we provide substantially more resources to the developmental effort. This is big, but so is its potential.

- IDEALIZED DESIGN

Based on my experience and knowledge of our customer, I happen to disagree with the "Idealized Inbound Teleservicing Flow Design" proposed by the Customer Services Task Force, at least for Personal Insurance. Kathy and I should be permitted to offer our thoughts and perspectives on this and other aspects of the Task Force report.

- STAFFING TO SERVICE LEVEL

If this is to be an objective for Personal Insurance Teleservicing, then Kathy and I must be given the latitude and authority to make decisions. This can only be achieved if we have the ability to make hiring decisions and establish the number of CSRs required without having to wait weeks or months for approval. While the concept may sound simple, the execution in our environment is extremely complicated. We should be given this authority and then held accountable for our results rather than being held accountable for our results without being given the authority as we sometimes are.

CONFIDENTIAL

- **EXTENDED HOURS - WEEKENDS**

The staffing and management implications of this should be discussed further. There is a major difference between doing this with and without a *Service Level* objective. Our first step should be to take the measures required to meet *Service Level* objectives during regular hours before approaching extended hours.

- **TECHNOLOGY ISSUES**

The technologies raised in the Task Force Report and how we see them being utilized for our operation should be discussed. We should also discuss current basic needs which could be addressed by technology.

- **SALES "OPPORTUNITY" GENERATION**

We need to have a better understanding of the direction and Company expectations for the next year or so with respect to Teleservicing's involvement in *sales opportunity generation*. The potential impact on staffing and training should also be discussed and understood by all parties.

- **SALES REPRESENTATIVE CALLS**

Although we have been informally instructed to answer calls from Sales Representatives, there is no defined strategy for handling these calls. For the most part, the Field Force is still under the impression that they are not supposed to call. Kathy and I are fearful that these calls could be "*turned on*" at any time as a result of some Field Release or verbal announcement at a major Company forum. An overall strategy needs to be developed and some determination made as to the services and information we are expected to provide. The staffing implications also need to be recognized and understood. We also need to consider how these might best be handled. A key issue is the agreement to establish a separate 800 number for sales representative calls so they can be controlled and do not interfere or take precedence over customer service calls.

- **SALES REP CALLS - INTERACTIVE VOICE RESPONSE**

If we are going to take calls from Sales Representatives, we need to understand their information and service needs. Then, as evidenced by the use of Interactive Voice Response in other insurance companies, we should consider which of these can be best addressed with VRU technology. The Field Force is a far better candidate for a VRU than is our general policyholder base.

CONFIDENTIAL

MP4011070367

- **"NEAREST" SALES OFFICE**

It is my belief that our loss of policyholder contact is a Corporate concern. Tens of thousands of calls are received from policyholders whose policies are inforce (paid-up) in abolished sales offices. The record of the phone call (*Teleservicing Call Report*) **DOESN'T GO ANYWHERE**. In the case of people who move large distances, the record of the call goes back to the inforce sales office. In both cases the opportunity for sales representative contact and follow-up is lost. Although a recommendation was made months ago to send the *Call Report* to the "nearest" sales office for these cases, nothing has been done. Someone within Personal Insurance needs to address and resolve these customer service issues that cross departmental lines (*in this case - Marketing*)

- **DIRECTORY ASSISTANCE AND YELLOW PAGE LISTINGS**

We need to resolve if and when we will list 800 + MET-LIFE with *Directory Assistance* and the *Yellow Pages*.

- **TELESERVICING CALL REPORT - PHASE II**

We need to resolve what level of call information should be provided to our Account Representatives and address any outstanding issues with respect to the further enhancement of the *Teleservicing Call Report*.

Ken, I didn't mean to get carried away, but these are some of the issues that immediately come to mind. These can only be addressed at a higher level than our original *Natural Work Team* concept. But, at the same time I think Kathy, I and Bob McDowall need to be a part of that discussion. I also hope you can see that these could not be effectively addressed at Frank's Planning Board. Let me know if you have any questions or want any additional information.

J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

January 16, 1993.

cc Gardner, McDowall, Barocas & Schoos

CONFIDENTIAL

INTRADAY REPORT
7/01/93-THU
07:00-20:00

MET LIFE - TULSA
TRUNKS - BROKER, LONG, & LIFE - AVERAGES

LIFLOWAV
REQUESTED: 07/01/93
22:06

TRK GRP NAME & TIME OF DAY	NO. OF TRUNKS	NUMBER OF CALLS				AVERAGE TIMES			ALL TRUNKS BUSY (HH:MM)	TOTAL CONNECT TIME (HH:MM)	
		RCVD	ANSW	ABAN	OUT	QUEUE	TALK	OUT		INCOMING	OUTGOING
BROK											
07:00-08:00	3	6	0	0	0	00:01	00:00Z	00:00Z	000000:00	000000:00	000000:00
08:00-09:00	3	7	6	0	0	04:11	02:56	00:00Z	000000:00	000000:43	000000:00
09:00-10:00	3	3	3	1	0	01:38	03:18	00:00Z	000000:00	000000:16	000000:00
10:00-11:00	3	6	5	1	0	01:20	02:12	00:00Z	000000:00	000000:21	000000:00
11:00-12:00	3	3	2	0	0	00:58	09:04	00:00Z	000000:00	000000:20	000000:00
12:00-13:00	3	6	6	1	0	02:10	04:48	00:00Z	000000:00	000000:44	000000:00
13:00-14:00	3	9	8	1	0	02:45	04:24	00:00Z	000000:04	000001:04	000000:00
14:00-15:00	3	7	6	1	0	01:24	07:41	00:00Z	000000:03	000000:56	000000:00
15:00-16:00	3	5	5	0	0	02:53	03:12	00:00Z	000000:00	000000:34	000000:00
16:00-17:00	3	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
17:00-18:00	3	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
18:00-19:00	3	2	0	0	0	00:01	00:00Z	00:00Z	000000:00	000000:00	000000:00
19:00-20:00	3	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
Total	3	54	41	5	0	01:59	04:27	00:00Z	000000:10	000004:58	000000:00
LONG											
07:00-08:00	6	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
08:00-09:00	6	2	2	0	0	00:08	03:29	00:00Z	000000:00	000000:07	000000:00
09:00-10:00	6	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
10:00-11:00	6	0	0	0	0	00:00Z	00:00Z	00:00Z	000000:00	000000:00	000000:00
11:00-12:00	6	4	3	1	0	00:31	02:39	00:00Z	000000:00	000000:10	000000:00
12:00-13:00	6	7	5	2	0	01:51	03:12	00:00Z	000000:00	000000:29	000000:00
13:00-14:00	6	7	3	4	0	00:32	02:52	00:00Z	000000:00	000000:12	000000:00
14:00-15:00	6	2	2	0	0	01:28	06:25	00:00Z	000000:00	000000:16	000000:00
15:00-16:00	6	8	7	1	0	01:27	03:46	00:00Z	000000:00	000000:38	000000:00
16:00-17:00	6	4	3	1	0	00:10	03:50	00:00Z	000000:00	000000:16	000000:00
17:00-18:00	6	7	0	0	0	00:02	00:00Z	00:00Z	000000:00	000000:00	000000:00
18:00-19:00	6	1	0	0	0	00:02	00:00Z	00:00Z	000000:00	000000:00	000000:00
19:00-20:00	6	1	0	0	0	00:01	00:00Z	00:00Z	000000:00	000000:00	000000:00
Total	6	43	25	9	0	00:48	03:37	00:00Z	000000:00	000002:09	000000:00
LIFE											
07:00-08:00	36	26	18	0	0	00:02	02:30	00:00Z	000000:00	000000:46	000000:00
08:00-09:00	36	123	101	9	0	01:00	04:12	00:00Z	000000:00	000009:15	000000:00
09:00-10:00	36	218	213	3	0	00:14	03:39	00:00Z	000000:00	000014:19	000000:00
10:00-11:00	36	230	231	1	0	00:32	03:31	00:00Z	000000:00	000016:36	000000:00
11:00-12:00	36	276	232	15	0	01:10	03:57	00:00Z	000000:00	000022:04	000000:00
12:00-13:00	36	270	220	16	0	01:31	04:01	00:00Z	000000:01	000022:37	000000:00
13:00-14:00	36	255	238	17	0	01:20	03:53	00:00Z	000000:00	000021:58	000000:00
14:00-15:00	36	263	227	27	0	01:38	03:50	00:00Z	000000:02	000022:56	000000:00
15:00-16:00	36	303	225	24	0	01:18	03:55	00:00Z	000000:00	000022:40	000000:00
16:00-17:00	36	161	157	7	0	00:28	04:23	00:00Z	000000:00	000014:02	000000:00
17:00-18:00	36	80	69	7	0	00:59	04:19	00:00Z	000000:00	000007:22	000000:00
18:00-19:00	36	39	2	2	0	00:23	02:40	00:00Z	000000:00	000000:38	000000:00
19:00-20:00	36	19	0	0	0	00:01	00:00Z	00:00Z	000000:00	000000:00	000000:00
Total	36	2263	1933	128	0	01:03	03:54	00:00Z	000000:03	000175:13	000000:00

CONFIDENTIAL

MP4011070368



Personal Insurance Customer Services
Teleservicing
Strategic Planning Board



MP4011070369

Minutes

Planning Board Meeting

April 26th & April 27th

New York Home Office

CONFIDENTIAL

Executive Summary

The first meeting of the Teleservicing Strategic Planning Board was held in the Home Office on April 26th and 27th. Present were:

Vincent J. Donnelly	-	Vice-President
John P. Abela	-	Vice-President
Barbara J. Gardner	-	Vice-President
James H. Major	-	Agency Vice-President
Marge Kelly	-	Assistant Vice-President (Part of Tuesday Only)
Robert McDowall	-	Director
Lucia Chez	-	Manager
Thomas J. McHale	-	Director
Kathy Schoos	-	Director
Jim Rayl	-	Director

The following issues were discussed:

- Single Image - Cost/Benefit Analysis - Based on a study completed by Warwick, *Single Image* offers an annual savings of \$700,000 for both Teleservicing sites associated with reduced *Talk, After Call Work*, training and clerical times.
- Single Image - General Progress & Development - There is concern with the progress and direction of *Single Image* pending a final decision on the "platform" and whether or not it is feasible to use the same system for both the Service Centers and the Sales Offices. Agreement was reached to have a platform decision by JULY 1st.
- Sales Opportunity Generation - Sales Opportunity Generation will continue and a formal plan is to be developed for defined training and support programs in the two Teleservicing sites. It was agreed that some type of incentive compensation program needs to be developed for the CSRs based on actual sales. A proposal is to be developed for a single incentive program.
- After Hours Messaging - Extended Hours - Based on a study completed by Warwick, it took an average of 24 minutes per successful callback on an after hours messaging experiment. There were only 15 successful callbacks out of 37 messages. Therefore it was decided that the cost/benefit of after hours messaging did not justify proceeding with it at this time. It is highly labor intensive and does not appear to provide an acceptable level of customer service.

While it was agreed that Teleservicing would ultimately have to extend its hours of operation, there are significant staffing implications which neither site is presently capable of supporting. Low call volume is still very staffing intensive to maintain *Service Level*. It was also felt that the immediate priority is to complete ongoing notification for the remaining states. This issue will continue to be monitored but any action has been tabled for the balance of 1993.

CONFIDENTIAL

MP4011070371

- Voice Response - This issue has been addressed numerous times with respect to 800+MET-LIFE. But, it continues to surface as an issue and both sites would like to see a definitive strategy developed for the utilization of voice response. Both sites feel it is not appropriate for 800+MET-LIFE but IS appropriate for specific applications as they arise such as those already in operation. On a major scale, it is felt that the best potential applicability may rest with support for the sales representatives/sales offices. This entire issue is to be put on the agenda for Frank Lynch's Planning Board.
- "Blockage" - "Service Level" Objective - "Staffing to Service Level" - All of these issues have a direct correlation to line capacity and available staffing. Tulsa and Warwick are to develop objectives relative to *blockage* and *Service Level*.
- Call Load Balancing - The ultimate objective is to have both Teleservicing Call Centers function as one large Call Center. However, while load balancing technology is developing rapidly, there are distinct advantages/disadvantages to currently available technology. Load balancing is currently done on a manual basis between the two centers in extreme situations. This is meeting our current needs. Therefore, this issue has been tabled for the balance of the year and will be reexamined when more network and/or switch features are available.
- WIP/TMOS Development - Concern was expressed about the further development of these two systems, particularly WIP (*Work In Process*). While it is recognized that consideration is being given to a "universal" system, additional WIP functionality is needed NOW. John Abela will pursue this issue further with the Systems Planning Board.
- Expansion/Ongoing Notification - Based on the plans developed last year, the expansion and ongoing notification was to be complete for all states by the end of March 1993. The states of Pennsylvania and New York remain which represent a substantial percent of inforce households. This was delayed as a result of ELNY. It was agreed that completion of the expansion is a high priority and will continue as quickly as the ELNY and associated staffing issues can be addressed and resolved.
- Yellow Page Advertising - 800 Directory Assistance - There are many considerations associated with these issues which could not be resolved. Tulsa will develop a strategy for making the 800 number available in directories in the far West.
- Teleservicing Reporting - It was agreed that separate reporting of Teleservicing statistics (*Teleservicing Status Report*) would be discontinued.
- Sales Representative Calls - It was agreed that with the level of support our sales offices and sales representatives now receive through (*non-Teleservicing*) Service Center phone units, 800+MET-LIFE does not formally need to be extended or communicated to the sales representatives as being available to service them. Sales representatives do call in some situations where it is appropriate and they will continue to be serviced when they call.

CONFIDENTIAL

MP4011070372

- 800 Number For Corporate Advertising - Until such time as a "single number" for all lines of business becomes technological feasible, it is recommended that 800+MET-LIFE NOT be used for Corporate Advertising purposes. There are many reasons why the advertising calls should be segregatedated from policyholder service calls. A separate proposal was submitted on 4/29 recommending the use of 800+MET-PAYS (*Get Met - It PAYS*) for any planned Corporate use of an 800 Number.
- "Family Reunion" Work - Transfer of 800+LIFE-LONG to Johnstown - The Family Reunion work and other customer service work associated with premium payments raised a number of issues concerning the role of the Johnstown office. These could not be addressed at this meeting and will be resolved at Frank Lynch's Planning Board.
- Online Beneficiary/Owner File - There are potentially significant clerical savings associated with an online Beneficiary/Owner file. These savings are associated with eliminating the need to retrieve applications/microfilm for the numerous inquires received through Teleservicing and correspondence. This information is also required for processing many transactions in the operating units such as cash surrenders. HOWEVER, THESE SAVINGS CANNOT BE ACHIEVED UNTIL A SUBSTANTIAL PERCENTAGE OF THE OWNER/BENEFICIARY INFORMATION IS AVAILABLE ONLINE.

Unless some definitive strategy and program is developed, it will be YEARS before this level of information is available and these benefits and savings can be achieved. A recommendation is made to permit Teleservicing to initiate simple beneficiary/owner changes over the phone. It is also proposed that a two to three year Marketing/Policyholder campaign be launched which will result in redetermining beneficiary/owner information from our policyholders and entering on the online system as a "change." See minutes for more details.

CONFIDENTIAL

Meeting Minutes

"Single Image" - Cost/Benefit Analysis

Kathy Schoos had previously accepted the responsibility to do a Cost/Benefit analysis for *Single Image*. CSRs were measured on a few common, high volume transactions in both the traditional systems environment as well using *Single Image*. It was effectively demonstrated that there would be savings in both *Talk Time* and *After Call Work* time under single image. In addition, there would be additional savings in training time for the CSRs as well as the clerical support activity. In total, these savings were estimated at \$340,000 annually for Warwick. Since call volumes in Tulsa are comparable to Warwick's, the savings for both sites would be approximately \$700,000.

In addition to these demonstrated "hard" savings, there are many other savings and benefits associated with *Single Image* which cannot be measured at this time. The *Talk* and *After Call Work* times for new CSRs released from training is are several minutes higher than for experienced CSRs. Most of this results from learning to navigate through the various systems to obtain the needed information. *Single Image* would eliminate this and bring new CSRs up to full productivity *several months sooner* than in our current environment.

Single Image would also ensure higher quality and more accurate information for our policyholders. Much of the information that must currently be committed to memory or to reference material can be "built in" to *Single Image* thereby ensuring that important details are not overlooked by the CSRs. *Single Image* would also facilitate a much higher level of support for programs such as Conservation and *Sales Opportunity* generation.

"Single Image" - General Progress & Development

The development of *Single Image* was a major topic of discussion. Both Customer Service Centers expressed concern about the pace of development and the immediate future for additional development. There were several issues affecting the future development of *Single Image*. These included:

- An expressed desire to make the same system available to the Sales Offices
- A question as to an appropriate "platform" relating to hardware/software issues. These platform issues include; OS/2 versus Windows, utilization of the "USA" internal system platform, and the hardware compatibility of sales office equipment and environment versus the Customer Service Centers.
- Consideration of outside vendor products/systems, most notably one from Vantage

The Customer Service Centers expressed the strong need and desire to resolve these issues and move forward with the development of *Single Image* as rapidly as possible. Bob McDowall reminded the group that the development of *Single Image* was continuing in the current environment. In fact, additional resources had been transferred to *Single Image* bringing the number to ten.

CONFIDENTIAL

It was pointed out by Barbara Gardner that during the May 1992 Teleservicing Natural Work Team meeting, it had been projected that if adequate resources were available, 75% of the transactions could be moved to *Single Image* by the end of 1993. We are not currently on target for this rate of development. In part, this is due to the level of resources, but it is also due to the unresolved platform issue and the lack of a full Corporate commitment to proceed on the present path with Single Image.

The question was repeatedly raised as to when it could be expected that *Single Image* could be fully installed for the Customer Service Centers, particularly if a platform change is made. It was also pointed out that if we were attempting to install the same system in the sales offices, it would be several (*as many as five*) years before such an installation was complete because of the current timeframe for replacing the SONIC hardware. There was also discussion as to what the role of the sales office should be in the future. Is it expected to be a major point of "service" or should it primarily be a sales support operation and a provider of information with service being performed by the Customer Service Centers. It was mentioned that there was a study group headed by Ed Fink with the responsibility to determine the "*sales office of the future*."

Vince also raised the question as to what would it cost to proceed on the current platform for the Customer Service Centers and what would the timeframe be for development. These could not be answered at the meeting. It was also pointed out that there was more involved than just moving the "transactions" to *Single Image*. As expressed, there is an opportunity to build in much greater support for the CSRs but this will require a major "*Business Analysis*" challenge for the Teleservicing operations.

After considerable discussion, Vince asked for a commitment as to when the platform decision would be made. Bob McDowall agreed to having a decision reached by July 1st. At that time, the cost/timeframe issues would be addressed and a decision would be made as to how *Single Image* should proceed for the Customer Service Centers.

Sales Opportunity Generation

Jim Major outlined the amount of customer contact that takes place with our policyholders. Based on an 8 week study of 14 sales offices, it is projected that there are 3.5 million policyholder calls annually to sales offices (*which are not representative specific*). This, combined with the estimated 1 million calls to the Teleservicing sites results in over 4.5 million contact opportunities. This does not include calls to the other lines of business. All of these calls present potential contact and sales opportunities for our Career Agency Force.

In addition to the Property & Casualty pilot taking place in Tulsa, Jim has worked with the East Hanover Pensions Office and the Dayton P&C office on the development of sales opportunity generation programs. The East Hanover office is doing very well.

Both Customer Service sites recognized the need and potential for a sales opportunity program. However, there are many issues associated with the transition from being primarily service oriented to a proactive sales opportunity generating environment. Making it successful will require substantial time, effort and training for the CSRs. Management could also use training on how to create and sustain the programs.

CONFIDENTIAL

One program that was discussed was the "Change of Address" situation. Of particular concern is the contact that is lost when a policyholder moves a significant distance from their inforce sales office, particularly when the writing representative is no longer active. A proposal had been made to ask callers to Teleservices who were changing an address or had previously moved some distance from the sales office (200 miles was discussed) if they would like to have the local or "nearest" office notified that they now lived in their area. NO TRANSFER OF THE POLICY WOULD BE MADE. If the policyholder was in agreement, a "sales opportunity" would be generated through the Client Store to the local office.

There was additional discussion as to whether the existing software (GEOCODER) resident in Scranton would be able to facilitate such a program. Bob McDowall has agreed to do further investigation into GEOCODER and the feasibility of this program. Jim Major and Sal Masucci will continue to work with the OICs to discuss their support for this type of program.

There was also agreement that some type of incentive program based on actual sales was needed to support an ongoing program. Vince indicated that a document was needed which described the specifics of the plan for these programs and well as the development of a single incentive compensation program. This is to be discussed further by Vince, Sal Masucci and Jim Major.

After Hours Messaging - Extended Hours

Kathy Schoos stated that Warwick had experimented with the After Hours Messaging for three nights. Warwick received 58 messages during this period, only 37 of which were "legitimate" policyholder inquiries. There were 56 return call attempts made to reach the callers but only 15 were ultimately contacted. The average time spent per successful call was 24 minutes. Based on the labor intensity and expense of this, it was recommended by the two Customer Service Centers that no further consideration be given to accepting messages after hours.

The extended hours issue was also discussed. It was agreed by all parties that extended weekday and/or weekend hours would eventually be required. Based on the latest Teleservicing Customer Survey, 80% of the respondents stated they were satisfied with calling during normal business hours. The remaining 20% primarily expressed interest in extended evening hours as opposed to Saturdays.

Inasmuch as Property & Casualty already has Saturday hours, there was some discussion as to the difference in the customer perceived urgency between casualty policyholder inquiries versus life policyholder inquiries. It was agreed that the most critical transaction for a life policy would be the reporting of a death claim. On the casualty side, there were potentially claims to be reported, "new car" additions, coverage verifications, etc. This are somewhat different from typical life insurance transactions.

Neither Teleservicing site felt they were adequately staffed to handle extended hours at this time. The primary objective for Warwick is to complete their ongoing notification for the states of New York and Pennsylvania. These two states represent a very significant portion of the inforce households. Extending the hours for a relatively low volume of calls is demoralizing to the CSRs, and the staffing and expense required to support the low volume is extremely high and disproportionate to normal hours. In addition, there is a question as to systems availability for the extended evening hours and/or Saturday hours. It was agreed that this issue would continue to be monitored but tabled for the balance of the year.

CONFIDENTIAL

Voice Response

This issue has been examined numerous times with reference to its applicability to 800+MET-LIFE traffic. While the general concept of voice response is supported, there are many issues and obstacles associated with using it on 800+MET-LIFE. Yet, it continues to surface as an issue as there seems to be a general sentiment emanating from senior management that Teleservices is resistant to the technology or a question as to how we could be a sophisticated call center operation without a major voice response application.

There was a quick review of our current voice response applications which are ULII Unit Values, Loan Repayment Information/Quotes, and the recently installed Dividend Net Gain project. Kathy asked if we were in a position to determine or develop our long term strategy with respect to the use of Voice Response. There was also considerable discussion on the potential voice response applications for our Sales Offices and Career Agency Force. It was felt that voice response technology might be more suited and beneficial to addressing some of their information needs. Marge Kelly indicated that this was being examined in the sales office study being done under Ed Fink.

No firm decisions or direction was determined. It was agreed that John and Barbara would put this issue on the agenda for Frank's Planning Board.

"Blockage - Service Level Objective - Staffing To Service Level"

There was discussion on these items, particularly with reference to their relationship and impact on staffing. Kathy and Jim are to work together to develop recommendations for objectives in the areas of blockage and Service Level.

Call Load Balancing

It was agreed that the ultimate objective is to have the two Teleservicing operations function as one large call center. At the present time, load balancing is only attempted in extreme situations through the manual intervention into the AT&T network to redirect or reallocate call volumes. This has worked satisfactorily to deal with these situations.

A chart was passed out which illustrated some of the current and future features and technology available through the phone switches and the AT&T network. While there is load balancing capabilities existent today, these do not provide fully intelligent call load balancing between two distant sites. However, the technology is changing and developing rapidly. It is expected that one network service, "Network Queuing," offers a high potential for meeting our load balancing objectives.

It was agreed that there was not a pressing urgency to attempt to deal with this issue at this time. Therefore this issue has been tabled for the balance of the year and will be reexamined when more network and/or switch features are available.

CONFIDENTIAL

WIP/TMOS Development

The Customer Service Centers were seeking clarification as to the status of WIP and TMOS development. This is due to the long range uncertainty for these two systems. Investigation is underway to determine the feasibility of a "universal" pending work system as opposed to our multiple systems of WIP, PURR & KATS. The future of TMOS is unclear as a result of its potential integration into Single Image.

Bob McDowall stated that resources had been moved from both of these projects to *Single Image*. The project teams for each had decreased to 3.5 employees. However, development of both projects was continuing, primarily in a "maintenance" mode and he would prefer not to undertake major development until a determination is made about a "universal" tracking system. John Abela raised the issue as to when the replacement system might become available. No one had an answer to this question. His point was that if this was well into the future, then more active development needed to continue with *Work In Process*.

It was further mentioned that the two sites had not been requesting significant changes or enhancements to these systems as we assumed they would not be acted upon. Bob stated that perhaps the Teleservicing Natural Work Team can develop an updated list of our desired enhancements for these systems as well as what we would want from any type of tracking system. The point was made that WIP is primarily a C/L/D application versus a Teleservicing application and therefore the Teleservicing Natural Work Team alone may not be able to address all the WIP issues.

It was agreed that John would pursue the need for WIP (or universal system) development with the Systems Planning Board.

Expansion/Ongoing Notification

Kathy explained that it had been expected that Warwick would have finished ongoing notification (Pennsylvania & New York) by March of this year. However, this had been impossible because of the support given to ELNY. Warwick was currently supporting ELNY to the extent of about 700 calls per week. In addition, Warwick was sitting on approximately 1,000 ELNY cash surrenders awaiting the system updates for the cash surrenders to be processed. Warwick indicated that completing the ongoing notification was a high priority and would proceed as soon as the ELNY work was complete and they were satisfied that staffing was adequate to handle the two remaining states.

Yellow Page Advertising - 800 Directory Assistance

The question put before the group was whether or not we should begin taking steps to implement advertising of 800+MET-LIFE in the yellow pages and/or list the number with 800 Directory Assistance. It was pointed out that, based on past experience, if the number was listed with Directory Assistance, we would receive a significant volume of calls for the other lines of business. The Yellow Pages advertising raised many other issues.

It was mentioned that there was a task force formed under Cathy Rein which is looking at our Yellow Page advertising. There appears to be no standardization or Corporate strategy with respect to this form of advertising communication. Inasmuch as 800+MET-LIFE is currently restricted to P.L. policyholder service, consideration has to be given as to whether this can be communicated in a Yellow Page ad.

CONFIDENTIAL

Regardless, such advertising is also bound to generate calls for the other lines of business. There needs to be some defined plan and/or agreement as to the level of service that is to be provided for these callers. The question was also raised as to whether or not this advertising might take calls away from the branch offices.

Another issue raised was the consideration of placing the 800+MET-LIFE number in the "White Pages" rather than the Yellow Pages and whether or not this required listing with Directory Assistance. The whole issue of yellow page advertising is to be explored further but Tulsa is to put together a strategy for placing the number in Western directories, perhaps in the White Page listings.

Teleservicing Reporting

Until the end of 1992, a separate *Teleservicing Status Report* was prepared and distributed which was confined to reporting the major Teleservicing statistics for the two sites. The question was raised as to whether that, or a similar report, should be continued as a separate report. It was decided that no separate Teleservicing report would be produced. The Teleservicing statistics will be submitted separately and included in the reports covering the total Customer Service Center operation.

Sales Representative Calls

There was a discussion as to whether there was any long term strategy with respect to sales representative calls on 800+MET-LIFE. While there has been no formal communication to the sales force that 800+MET-LIFE is available to them, both sites have been instructed to accept these calls on the toll-free number. Tulsa receives approximately 3,000 such calls per month and Warwick currently receives about 1,000. The initial concern was the potential impact on the operations if this availability was formally communicated to the Sales Force.

Kathy mentioned that in a recent visit to their office by Frank Lynch and Bob Crimmins, they had the opportunity to see the services provided to the sales force through the C/L/D phone unit. Kathy also relayed the fact that in a recent study, it was determined that 87% of the calls to C/L/D could be brought to a closure during the call while this rate was only 57% when for the calls to 800+MET-LIFE. Tulsa has a very similar phone operation in its C/L/D area. John Abela mentioned that a similar type of phone service was being initiated in other units in the Warwick Customer Service Center to service the sales offices/representatives.

As a result, it was agreed that there was no real need to *formally* provide service to the sales force through 800+MET-LIFE. There are situations where such service is appropriate and it will continue to be provided. But, there does not appear to be the need to expand the role of 800+MET-LIFE to formally encompass sales representatives.

800 Number For Corporate Advertising

A recommendation was made that 800+MET-LIFE NOT be used AT THIS TIME for any Corporate advertising. Instead, it is proposed that 800+MET-PAYS (*Get Met - It Pays*) be used as an alternative.

While it is recognized that the long range objective may be to have ONE number that can be called to reach all lines of business, the technology and practicality of this is not imminent. In addition, there are many reasons why any calls resulting from any Corporate advertising should be segregated from those of the P.L. policyholder service calls. These reasons were outlined and submitted in a separate formal proposal on April 29th.

CONFIDENTIAL

"Family Reunion" Work - Transfer of 800+LIFE-LONG to Johnstown

A proposal had been received from Johnstown to formally transfer 800+LIFE-LONG and the associated calls and Industrial work to that facility. Included in this proposal was also the assumption of several C/L/D transactions which come in with premium payments as "Tray 3."

There was discussion as to the risks/benefits of transferring this work as well as a general discussion as to the role of the Johnstown organization as it relates to the delivery of Customer Service. These questions could not be addressed at this meeting and the entire issue is to be referred to Frank's Planning Board.

Online Beneficiary/Owner File

Teleservicing has long been one of the leading proponents for online beneficiary/contingent and owner/contingent information. Teleservices receives many calls inquiring about this information and many of our callers expect us to have it available. While limited beneficiary and owner information is available, no contingent information is available online. Consequently, these questions must be referred to the B&A unit where microfilm and/or applications must be retrieved to respond to the inquiry. This is time consuming and expensive. This information is also critical to processing of many C/L/D transactions, most notably cash surrenders.

When the original system was developed which was to operate under PICX, Teleservices and other user areas such as C/L/D had significant input into the design of the system. The development of the current system has taken place with very little input from Teleservices and the other user areas. In the process, Teleservices has lost functionality (*owner name correction*) that we previously had for some policies.

In addition, there does not appear to be any long term strategy with respect to the need to populate this information on the system. John Abela estimated that the Beneficiary & Assignment units currently process about 100,000 beneficiary changes a year. Therefore, this file would be populated with the information for these policies as well as about 800,000 new issues per year.

From a Teleservicing and C/L/D standpoint, this information is needed for older, inforce policies to a far greater degree than newly issued policies. At the rate of 100,000 changes per year, it will be many years before the information is available online for a substantial percentage of our older, inforce business. It is both impractical and cost prohibitive to attempt to go back and retrieve this information from our application or microfilm records and transfer it to the online bene/owner file. However, the benefits and clerical savings (*in both the operating and microfilm units*) cannot be achieved until this information is readily available online.

There are two issues here with respect to Teleservicing and a long term strategy for gathering this information. These are:

- It was originally proposed several years ago that Teleservicing should be able to initiate the "straight" or "snap" beneficiary/owner changes over the phone. This would be done by taking the information over the phone and having a pre-completed, pre-printed change of owner/beneficiary form produced electronically. This form would be mailed to the owner asking that the information be verified, and then returned to the Beneficiary & Assignment Unit for processing. Inasmuch as the information would have already been captured electronically at the time of the call, it could still be used to process the change on the owner/bene system. It could be held in a "pending change" file and released by optically reading and matching code pre-printed on the form with this pending file when the form has been signed and returned. Or, the pre-completed, pre-printed form could be "read" electronically using Optical Character Recognition to process the change. Again, this would be most practical for the simple beneficiary/owner changes.

CONFIDENTIAL

- As noted above, the online bene/owner file will be of little value to Teleservicing or the operating units such as C/L/D until this file has been populated for a substantial portion of our inforce policies. If this is done over the normal course of business, it will be many years before the maximum benefits and savings are achieved. Therefore, it is proposed that we launch a major two to three year MARKETING/POLICYHOLDER campaign to "verify or change" our beneficiary/owner information.

In otherwords, a letter could be mailed to policyholders advising them that we want to "verify" the beneficiary/contingent information that is on our files. Assuming beneficiary/owner changes could be initiated through Teleservicing, the policyowners would be advised to call 800+MET-LIFE to verify the information. At the time of the call, we would essentially ask the policyholders to "redesignate" their beneficiary information, even if it is to remain unchanged. We would then initiate a "change." Complex changes would be referred to the B&A unit. They could have access to the same system utilized by Teleservicing to generate the pre-completed, pre-printed form to the policyholder.

At the same time, letter could encourage the policyowners to have their policies and beneficiary designations reviewed by their representative. The representatives could receive "control listings" of the letters as they are sent. A marketing campaign could be in place to encourage the representatives to contact these policyholders when they receive the letter to see if they can be of assistance and use the opportunity to review the client's insurance program. Those beneficiary/owner changes handled by the Account Representatives could be processed by the Service Center Beneficiary and Assignment units in the normal manner.

IN ORDER TO CONTROL CALL AND WORK VOLUME, THIS TYPE OF PROGRAM WOULD HAVE TO TAKE PLACE OVER A LONG PERIOD OF TIME. BUT, IT OFFERS THE POTENTIAL TO GET A MAJOR PORTION OF OUR ELECTRONIC FILE POPULATED WITH THE INFORMATION AND ACHIEVE THE ASSOCIATED CLERICAL SAVINGS MUCH SOONER. IT ALSO PROVIDES A "DOOR OPENER" FOR OUR CAREER AGENCY FORCE TO MAKE CONTACT AND SEEK ADDITIONAL SALES OPPORTUNITIES.

If anyone has any questions concerning these minutes, please let me know. I can be reached at (8) or (918) 252-8427.

J. L. Rayl
Secretary
Teleservicing Strategic Planning Board

May 1, 1993

CONFIDENTIAL

MP4011070381

Vince Donnelly, Vice-President
Personal Insurance
Career Agency Operations
Area 5 H

Re Teleservices Strategic Planning Board

At the February Planning Board meeting for Customer Services, the Board addressed policy making decisions relative to PI Teleservices operations. The issue became an agenda topic as Jim Rayl and others continue to raise questions concerning overall direction/strategy for our call centers. There are overarching policy decisions which must be addressed and communicated in order for groups like our Teleservices natural work team to be effective. At the same time members of the natural work team have expressed the belief that they are not the group who should address departmental or corporate strategy in their meetings, as their focus, correctly, is on day-to-day operating concerns.

Frank's Planning Board generally agreed that a separate group of involved officers and key operations people should be setting strategy and/or reviewing the organization's goals. Frank personally stated that a meeting would be held very soon with appropriate team members.

John and I concur with the following suggested group of participants and the recommendation was accepted by Frank's Planning Board.

Jim Rayl
Kathy Schoos
Bob McDowall
Frank Lynch
Tom LaBadia

Barbara Gardner
John Abela
Ken Gelman
Len Miller
Paul Garavaglia

Vince, I know you are addressing many priorities, but this is an opportunity I feel might be an ideal launching pad for you to set direction for the organization as you step into your new (former!) role.



Barbara J. Gardner
Vice-President
MetLife Customer Service Center-Tulsa

March 9, 1993

cc J. Abela K. Schoos
F. Lynch J. Rayl

CONFIDENTIAL

cc all staff

Robert J. Crimmins
Executive Vice-President
Personal Insurance

Re 1+800 + "THE-ROCK"

Dear Bob

I don't know whether you recall, but this month marks the 10th anniversary from when you and I started Teleservicing down in the branch office on 31st Street. Although we've come a long way, we have not maintained our leadership position in this arena. The attached advertisement appeared in our Sunday paper. In addition, I just noticed the other day that Prudential was also displaying "1+800+THE-ROCK" very prominently in their television commercials.

I cannot help but find it disappointing that Pru would appear to be ahead of us in promoting their 800 number, particularly considering all the visions we shared back in 1982. By using "THE ROCK" it would also seem that they're trying to send a message about their financial strength as well as capitalize on their past advertising.

Thanks to your foresight, we're still sitting on "800+MET-PAYS" but it is essentially an inactive number. If all the lines of business would support it, we could easily promote this number nationally as part of our overall marketing strategy.

While some of the old vision is still here, I am concerned that it may be smothered as we continue to revert to our old "numbers culture" under the guise of (internal) "Benchmarking." Based on the attached, perhaps we would be better served to do our initial benchmarking with our peers rather than against ourselves. We should be moving forward aggressively rather than spending excessive energy trying to measure internally. Particularly when some of the measurements are questionable and we paid such a terrible price for promoting this type of competition in the past.

J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

October 19, 1992

CONFIDENTIAL